

CITY OF HOBOKEN

**Financial Statements With
Supplementary Information**

December 31, 2011

(With Independent Auditors' Reports Thereon)

CITY OF HOBOKEN

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CITY OF HOBOKEN

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Hoboken
County of Hudson, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Hoboken (the "City"), County of Hudson, New Jersey as of and for the year ended December 31, 2011 and the six month period ended December 31, 2010, and the related statements of operations and changes in fund balance - regulatory basis for the periods then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the City of Hoboken's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Honorable Mayor and
Members of the City Council
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As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the City of Hoboken's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Hoboken, New Jersey as of the year ended December 31, 2011 and the six month period ended December 31, 2010, or the results of its operations for the periods then ended.

The financial statements referred to above include a Statement of General Fixed Assets as required by the Division of Local Government Services. However, as more fully described in Note 1 and Note 3 to the financial statements, this schedule has not been updated. Also, the City did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. State of New Jersey Local Finance Notice 2007-15 also dictates that municipalities implement this GASB.

However, in our opinion, the financial statements referred to above, with the exception of the effect described in the paragraph above, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the City of Hoboken, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the periods then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

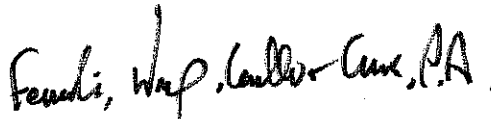
In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2012 on our consideration of the City of Hoboken's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Honorable Mayor and
Members of the City Council
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Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Hoboken, State of New Jersey, taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Government, and Nonprofit Organizations, and are not a required part of the financial statements. Additionally, the accompanying supplementary information, schedules and exhibits listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the New Jersey Division of Local Government Services. This information has been subjected to the tests and other auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly presented in all material respects in relation to the regulatory basis financial statements taken as a whole on the basis of accounting as described in Note 1.



Steven D. Wielkottz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 27, 2012

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

and for the Six Month Period Ending December 31, 2010

		Twelve Month Period Ending December 31, 2011	Six Month Period Ending December 31, 2010
<u>Assets</u>			
Current Fund:			
Current Assets:			
Cash - Operating Accounts	A-4	\$ 23,217,229	27,219,986
Cash - Change Fund	A-5	300	1,700
		<u>23,217,529</u>	<u>27,221,686</u>
Due from State of New Jersey:			
Per Ch. 129, P.L. 1976	A-6	28,946	27,152
Qualified Bond Aid	A-7	3,864,300	3,864,300
Consolidated Municipal Property Tax Relief	A-7	86,458	
Mortgage Receivable	A-8		370,342
		<u>3,979,704</u>	<u>4,261,794</u>
		<u>27,197,233</u>	<u>31,483,480</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-9	2,297,349	1,033,187
Tax Title Liens	A-10	433,044	299,164
Property Acquired for Taxes -			
Assessed Valuation	A-11	2,806,900	2,806,900
Water Liens	A-12	36,275	36,499
Revenue Accounts Receivable	A-13	342,389	382,204
Interfunds Receivable	A-14	2,903,268	312,288
County of Hudson Open Space	A-15	460,963	460,963
		<u>9,280,188</u>	<u>5,331,205</u>
Deferred Charges			
	A-16	<u>5,427,116</u>	<u>6,812,570</u>
		<u>41,904,537</u>	<u>43,627,255</u>
Federal and State Grant Fund:			
Cash - Operating Accounts	A-4	1,569,857	1,602,488
Expenditures without Appropriation	A-16	23,870	161,474
Grants Receivable	A-23	5,014,519	3,870,931
		<u>6,608,246</u>	<u>5,634,893</u>
		<u>\$ 48,512,783</u>	<u>49,262,148</u>

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

and for the Six Month Period Ending December 31, 2010

		Twelve Month Period Ending December 31, 2011	Six Month Period Ending December 31, 2010
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Encumbered	A-3/A-17 \$	1,606,275	1,286,059
Unencumbered	A-3/A-17	5,352,843	3,515,360
Promissory Note Payable - HCIA	A-18		370,342
County Taxes Payable	A-19	435,478	735,483
Tax Overpayment	A-20	207,125	168,164
Prepaid Taxes		725,486	
Interfunds Payable	A-14	2,502,504	2,075,970
School Taxes Payable	A-21	19,351	20,881
Various Reserves	A-22	3,616,284	4,273,449
		<u>14,465,346</u>	<u>12,445,708</u>
Reserve for Receivables	Contra	9,280,188	5,331,205
Fund Balance	A-1	<u>18,159,003</u>	<u>25,850,342</u>
		<u>41,904,537</u>	<u>43,627,255</u>
Federal and State Grant Fund			
Unappropriated Reserve for Grants	A-24		402,302
Interfunds Payable	A-25	1,201,138	2,594
Appropriated Reserve for Grants	A-26	4,539,759	5,229,997
Reserve for Encumbrances	A-26	867,349	
		<u>6,608,246</u>	<u>5,634,893</u>
	\$	<u>48,512,783</u>	<u>49,262,148</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Comparative Statement of Operations and Changes in
Fund Balance - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

and for the Six Month Period Ending December 31, 2010

	Twelve Month Period Ending December 31, 2011	Six Month Period Ending December 31, 2010
Revenues and Other Income:		
Fund Balance Utilized	9,585,000	1,900,000
Miscellaneous Revenue Anticipated	42,009,585	24,193,056
Receipts from Delinquent Taxes	1,306,324	
Receipts from Current Taxes	135,682,665	70,251,717
Non-Budget Revenue	2,462,274	904,067
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,891,788	2,239,880
Prior Year Interfunds Returned		484,552
Cancelled Liabilities	236,641	
Total Revenues and Other Income	193,174,277	99,973,272
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	37,438,409	19,592,111
Other Expenses	46,395,600	22,590,693
Capital Improvement Fund	250,000	1,130,000
Municipal Debt Service	6,152,530	1,862,582
Statutory Expenditures and Deferred Charges	12,989,474	2,652,224
Judgements	340,514	100,000
Expenditures without Appropriation	187,444	
Local District School Tax	36,760,213	18,380,872
County Taxes	47,218,637	26,528,491
Municipal Open Space Taxes	602,047	
Revenue Refunds	290,712	1,620
PILOT Revenue - County Share	945,589	
Interfund Advances	2,278,385	333,283
Total Expenditures	191,849,554	93,171,876
Excess (Deficit) Revenue Over Expenditures	1,324,723	6,801,396
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Appropriations	358,604	335,000
Overexpenditure of Appropriations	22,890	
Expenditures without Appropriation	187,444	
	568,938	335,000
Statutory Excess to Surplus	1,893,661	7,136,396
Fund Balance - December 31, 2010	25,850,342	20,613,946
Decreased by:		
Fund Balance Utilized as Budget Revenue	9,585,000	1,900,000
Fund Balance - December 31, 2011	18,159,003	25,850,342

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Exhibit A-2

Page 1 of 4

Statement of Revenues - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 9,585,000	9,585,000	
Miscellaneous Revenues:			
Licenses and Fees:			
Alcoholic Beverages	319,000	313,490	(5,510)
Other	231,500	219,947	(11,553)
Fees and Permits	303,600	462,125	158,525
Zoning Board of Adjustment Fees	127,900	152,420	24,520
Planning Board Fees	9,100	11,425	2,325
Rent Leveling Fees	43,500	44,445	945
Fines and Costs:			
Municipal Court	4,788,000	4,541,181	(246,819)
Other Fines and Costs			
Interest and Costs on Taxes	334,000	316,647	(17,353)
Parking Tax	1,002,000	1,223,160	221,160
Riverview Cablevision Associates	456,653	456,653	
Interest on Investments and Deposits	74,970	29,881	(45,089)
Rents on City Owned Property	78,000	62,370	(15,630)
Crosstown Bus Line			
SJP Properties - Block A-Phase I	1,071,984	1,071,984	
SJP Properties - Block A-Phase II	1,071,984	1,071,984	
SJP Properties/Applied - Block B	300,000	250,000	(50,000)
Applied Development Co. - South Waterfront - Block C	1,235,072	1,235,072	
1300 Grand Street (Pilot Payment)	763,285	777,590	14,305
Anticipated Parking Utility Operating Surplus			
Grogan Marineview Plaza	742,322	492,901	(249,421)
Clocktowers	143,718	127,788	(15,930)
Marion Towers Associates	177,550	175,877	(1,673)
Church Towers Urban Renewal	540,364	479,240	(61,124)
Columbian Towers	89,046	123,181	34,135
Columbian Arms	25,811	31,487	5,676
Hudson Square North	90,343	44,052	(46,291)
Willow Avenue Associates - 800 - 812 Willow Avenue	34,441	73,022	38,581
1200 Grand Street	1,023,031	1,027,288	4,257
Applied Housing - 1203-1219 Williwow Avenue	285,961	201,980	(83,981)
Applied Housing - 1201-1221 Washington Estates	510,577	368,047	(142,530)
Applied Housing - 1200-1220 Hudson Estates	553,603	404,883	(148,720)
Applied Housing - 1301-1309 Bloomfield Estates	185,729	142,712	(43,017)
Applied Housing - Midway 500-508 Adams Street	281,831	188,250	(93,581)
Applied Housing - Elysian Estates	82,477	100,670	18,193
Applied Housing - Church Square	151,173	167,960	16,787
Applied Housing - Eastview Associates	128,801	126,812	(1,989)
Applied Housing - Westview Associates	200,319	205,810	5,491
Applied Housing - Northvale I - 911-923 Clinton Street	476,283	347,961	(128,322)
Applied Housing - Northvale II - 901-919 Clinton Street	434,575	302,261	(132,314)
Applied Housing - Northvale IIIA	66,211	75,006	8,795
Applied Housing - Northvale III B - 1106-1014 Clinton Street	113,465	115,011	1,546
Applied Housing - Northvale IV - 58 11th Street	20,630	19,237	(1,393)
1118 Adams St			
1100 Adams Street	577,941	587,855	9,914
PILOTS Interest		5,256	5,256
Sid Central		29,518	29,518
Parking Utilities Surplus	3,500,000	3,500,000	
Consolidated Municipal Property Tax Relief Aid	4,788,917	4,788,917	
Energy Receipts Tax	6,324,118	6,324,118	

CITY OF HOBOKEN, N.J.

Exhibit A-2

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Statement of Revenues - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Uniform Construction Code Fees	683,500	1,325,175	641,675
Hoboken Housing Authority - Public Safety	540,000	536,667	(3,333)
FEMA Fire Grant	118,827	118,827	
Clean Communities	70,961	70,961	
Cultural Affairs Studio Tour/Concert	3,200	3,200	
FEMA Fire Apparatus	427,962	427,962	
Green Acres DEP Waterfront Reconstruction	900,000	900,000	
Hudson County HHS Municipal Alliance	40,261	40,261	
Hudson County HHS Senior Citizens 2011 Contract 688	12,000	12,000	
Hudson County HHS Senior Citizens 2011 Contract 88	115,000	115,000	
2010 Open Space Grant - Castle Point/Sinartra Park	500,000	500,000	
Municipal Court DWI Grant	1,510	1,510	
NJDOT 2010 Hudson Place Funding	80,000	80,000	
NJDOT 2011 Aid for Various Streets	400,125	400,125	
NJDOT 2009 Roadway Improvements	410,732	410,732	
Community Development Block Grant	457,000	457,000	
Pedestrian Safety Grant	16,000	16,000	
US Dept of Justice Mentoring Grant	30,000	30,000	
Edward Byrne JAG Grant	18,585	18,585	
Recycling Tonnage Grant	23,922	23,922	
Body Armor Grant	11,833	11,833	
FY 2011 State Tourism Grant	7,504	7,504	
NJDOT 2008/2009 Safe Streets to Transit	80,000	80,000	
Summer Food Program 2011	34,115	34,115	
US Soccer Foundation 2011 Planning Grant	8,000	8,000	
Domestic Violence	1,250	1,250	
Public Healthcare	5,291	5,291	
Public Healthcare Management	118,921	118,921	
Walk Safe Hoboken	8,000	8,000	
Computer Program Elderly	674	674	
Clean Communities	97,387	97,387	
Fire Dept Grant	47,438	47,438	
Senior Emergency Funds	3,059	3,059	
08-09 Summer Food	25,728	25,728	
Over the Limit Under Arrest	4,700	4,700	
Public Health Priority Funding	17,727	17,727	
Bullet Proof Vest	14,377	14,377	
Adult Daycare	27,055	27,055	
Cultural Affairs Studio Tour/Concert	7,680	7,680	
Bullet Proof Vest - Federal	5,132	5,132	
Save the Youth	17,881	17,881	
Uniform Fire Safety Act	72,000	89,532	17,532
Outside Duty Police Administration	181,000	91,172	(89,828)
Verizon TV Franchise Fee	132,846	132,846	
1001 Jefferson	449,568	944,578	495,010
W Hotel	503,000	503,151	151
Hotel/Motel Occupancy Fee	345,000	510,872	165,872
800 Jackson Ave. (PILOT)	711,788	660,175	(51,613)
United Water Concession	168,000	154,000	(14,000)
FEMA Reimbursement	66,467	66,467	
Path/NJ Transit BL 139 L4		7,639	7,639
Total Miscellaneous Revenues	41,782,791	42,009,585	226,794
Receipts from Delinquent Taxes	393,310	1,306,324	913,014

CITY OF HOBOKEN, N.J.

Exhibit A-2

Page 3 of 4

Statement of Revenues - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Subtotal General Revenues	<u>51,761,101</u>	<u>52,900,909</u>	<u>1,139,808</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>51,534,222</u>	<u>50,979,407</u>	<u>(554,815)</u>
Minimum Library Tax	<u>3,414,730</u>	<u>3,414,730</u>	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>54,948,952</u>	<u>54,394,137</u>	<u>(554,815)</u>
Non-Budget Revenue		<u>2,462,274</u>	<u>2,462,274</u>
	<u>\$ 106,710,053</u>	<u>107,295,046</u>	<u>584,993</u>

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$	135,682,665
Allocated to County of Hudson	\$	47,218,637
Local School District		36,760,213
Municipal Open Space		<u>602,047</u>
		84,580,897
Balance for Support of Municipal Budget Appropriations		51,101,768
Add : Appropriation - Reserve for Uncollected Taxes		<u>3,292,369</u>
Amount for Support of Municipal Budget Appropriations	\$	<u>54,394,137</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		1,304,156
Tax Title Liens		<u>2,168</u>
	\$	<u>1,306,324</u>

Analysis of Non-budget Revenues

<u>Miscellaneous Revenue Not Anticipated</u>		
Insurance Reimbursements	\$	15,000
Retiree Drug Subsidy		321,557
Sale of Property		609,753
Cancelled Grants		1,175,618
Cancelled Trust Reserves		134,573
Hurricane Irene Reimbursement		37,014
Closeout of Old Accounts		14,566
Miscellaneous		154,193
	\$	<u>2,462,274</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expended
General Government:						
Mayor and Council						
Salaries and Wages	233,550	244,050	243,866	184		
Other Expenses	10,160	10,160	4,509	5,651		
City Council						
Salaries and Wages	219,581	220,781	220,707	74		
Other Expenses	5,000	3,800	2,776	1,024		
Office of the Clerk						
Salaries and Wages	415,497	415,497	415,497			
Other Expenses	10,200	10,200	7,721	2,479		
Other Expenses - Legal Advertising	50,000	70,000	69,681	319		
Other Expenses - Codification of Ordinances	30,000	30,000	22,687	7,313		
Salaries and Wages - Elections	50,000	50,000	32,673	17,327		
Other Expenses - Elections	250,000	250,000	163,173	86,827		
Department of Administration						
Business Administrator's Office						
Salaries and Wages	262,500	250,500	244,723	5,777		
Other Expenses	20,000	20,000	13,882	6,118		
Purchasing						
Salaries and Wages	191,411	191,411	179,028	12,383		
Other Expenses	2,000	2,000	1,867	133		
Personnel and Health Benefits						
Salaries and Wages	236,340	240,840	239,696	1,144		
Other Expenses	2,400	2,400	989	1,411		
Zoning and Administration						
Salaries and Wages	120,522	122,522	121,676	846		
Other Expenses	3,800	3,800	3,108	692		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>2011 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
Uniform Construction Code						
Salaries and Wages	680,383	605,383	600,081	5,302		
Other Expenses	254,000	279,000	92,390	186,610		
Corporation Council						
Salaries and Wages	310,575	314,075	313,863	212		
Other Expenses	61,100	61,100	19,150	41,950		
Other Expenses - Special Council	760,000	1,460,000	1,410,498	49,502		
Other Expenses - Expert Witness & Appraisal	35,000	35,000	10,530	24,470		
Revenue and Finance Director						
Salaries	632,840	654,840	653,518	1,322		
Other Expenses	150,000	150,000	140,787	9,213		
Annual Audit						
Other Expenses	92,975	92,975	92,975			
Tax Collections						
Salaries and Wages	230,665	236,665	236,255	410		
Other Expenses	60,697	60,697	49,774	10,923		
Information Technology						
Salaries and Wages	58,136	58,136	58,007	129		
Other Expenses	99,446	99,446	89,781	9,665		
Municipal Court						
Salaries and Wages	943,014	943,014	924,739	18,275		
Other Expenses	150,155	120,155	80,582	39,573		
Public Defender						
Salaries and Wages	67,610	68,210	68,196	14		
Other Expenses	3,500	2,900	1,587	1,313		
Office of the Tax Assessor						
Salaries and Wages	351,693	352,693	352,588	105		
Other Expenses	122,110	122,110	117,936	4,174		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>2011 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
Department of Human Services						
Director's Office						
Salaries and Wages	172,972	174,472	172,202	2,270		
Other Expenses	2,000	2,000	1,000	1,000		
Rent Leveling						
Salaries and Wages	189,434	192,434	192,390	44		
Other Expenses	4,476	4,476	3,373	1,103		
Housing Inspections						
Salaries and Wages	48,736	55,736	55,644	92		
Other Expenses	1,000	1,000	971	29		
Health						
Salaries and Wages	517,983	517,983	510,561	7,422		
Other Expenses	176,335	176,335	113,350	62,985		
Senior Citizens						
Salaries and Wages	299,327	299,327	287,181	12,146		
Other Expenses	13,000	13,000	11,764	1,236		
Recreation and Cultural Affairs						
Salaries and Wages	423,099	423,099	422,516	583		
Other Expenses	188,900	168,900	136,210	32,690		
Cultural Affairs						
Salaries and Wages	73,440	73,440	73,440			
Department of Environmental Services						
Director's Office						
Salaries and Wages	321,912	271,912	230,673	41,239		
Other Expenses	3,000	73,000	21,977	51,023		
Parks						
Salaries and Wages	536,778	536,778	532,448	4,330		
Other Expenses	98,800	98,800	81,470	17,330		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>2011 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
Public Property						
Salaries and Wages	768,345	768,345	768,345			
Other Expenses	264,500	264,500	233,330	31,170		
Streets and Roads						
Salaries and Wages	789,546	789,546	789,269	277		
Other Expenses	419,500	419,500	369,830	49,670		
Central Garage						
Salaries and Wages	81,931	81,931	81,931			
Other Expenses	289,000	289,000	288,511	489		
Sanitation						
Salaries and Wages	640,842	640,842	628,910	11,932		
Other Expenses	4,075,432	4,075,432	3,796,040	279,392		
Department of Community Development						
Director's Office						
Salaries and Wages	183,500	143,500	135,163	8,337		
Other Expenses	4,000	4,000	3,972	28		
Grants Management						
Other Expenses	39,500	39,500	33,342	6,158		
Planning Board						
Salaries and Wages	151,440	151,440	141,430	10,010		
Other Expenses	59,575	59,575	59,519	56		
Zoning Board of Adjustment						
Other Expenses	154,125	154,125	137,185	16,940		
Redevelopment						
Other Expenses	317,000	317,000	274,584	42,416		
Historical Preservation Committee						
Other Expenses	450	450	398	52		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>2011 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
Department of Public Safety						
Police						
Salaries and Wages	16,354,155	15,119,155	14,830,293	288,862		
Other Expenses	365,750	365,750	361,606	4,144		
Acquisition of Vehicles	60,000	60,000	60,000			
Fire						
Salaries and Wages	10,695,822	11,545,822	11,491,865	53,957		
Other Expenses	170,075	170,075	162,089	7,986		
Office of Emergency Management						
Salaries and Wages	115,876	139,876	139,535	341		
Other Expenses	10,000	10,000	9,578	422		
Insurance						
General Liability	1,950,000	1,950,000	1,248,762	701,238		
Worker's Compensation	900,000	900,000	592,453	307,547		
Employee Group Health	16,029,880	15,969,880	15,640,618	329,262		
UNCLASSIFIED:						
Alcoholic Beverage Control Board						
Salaries and Wages	4,154	4,154	4,000	154		
Other Expenses	1,500	1,500	571	929		
Volunteer Ambulance						
Other Expenses	40,000	40,000	40,000			
North Hudson Regional Council of Mayors						
Other Expenses	56,700	56,700	56,693	7		
Settlement of Claims Against the City	10,000	10,000		10,000		
Towing/Storage of Abandoned Vehicles	7,500	7,500	4,116	3,384		
Engineering	125,000	125,000	102,420	22,580		
Labor Arbitrations	150,000	150,000	145,604	4,396		
Municipal Dues and Memberships	3,500	3,500		3,500		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expended
Celebration of Public Events	15,000	15,000	5,869	9,131		
Postage	130,000	130,000	96,917	33,083		
Copiers/ Printers	55,000	55,000	47,296	7,704		
Stationary and Office Supplies	69,000	69,000	52,045	16,955		
Utilities:						
Electricity	580,000	525,000	452,285	72,715		
Street Lighting	725,000	721,000	650,245	70,755		
Gasoline	400,000	375,000	336,540	38,460		
Fuel	50,000	50,000	28,961	21,039		
Water and Sewer	195,000	95,000	38,562	56,438		
Communications	300,000	300,000	282,036	17,964		
Salary Adjustments	3,000,000	2,696,000	1,650,787	1,045,213		
Hurricane Irene		358,605	358,605			
Anticipated Terminal Leave Appropriation	1,800,000	2,060,000	2,060,000			
Total Operations within "CAPS"	72,855,650	73,214,255	68,840,776	4,373,479		
Total Operations Including Contingent-within "CAPS"	72,855,650	73,214,255	68,840,776	4,373,479		
Detail:						
Salaries & Wages	37,373,609	36,898,409	36,392,909	505,500		
Other Expenses (Including Contingent)	35,482,041	36,315,846	32,447,867	3,867,979		
Total:	72,855,650	73,214,255	68,840,776	4,373,479		

(E) Deferred Charges and Statutory Expenditures-

Municipal within "CAPS"

DEFERRED CHARGES:

Overexpenditures of Grants

Grant overexpenditures

Overexpenditures of Trust - 5K Run

23,709 23,709
137,765 137,765
8,795 8,795

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	<u>2011 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expended</u>
STATUTORY EXPENDITURES:						
Contribution to:						
Social Security System (O.A.S.I.)	1,856,140	1,856,140	1,360,604	495,536		
Consolidated Police and Firemen's Pension Fund	34,000	34,000	22,336	11,664		
Police and Firemen's Retirement System	7,200,973	7,200,973	7,223,863			22,890
Public Employees Retirement System	1,393,699	1,393,699	1,051,735	341,964		
Prior Year Pension Adjustment	130,000	130,000	116,677	13,323		
Unemployment Compensation Insurance	250,000	250,000	190,585	59,415		
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	11,035,081	11,035,081	10,136,069	921,902		22,890
Total General Appropriations for Municipal Purposes within "CAPS"	83,890,731	84,249,336	78,976,845	5,295,381		22,890
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library(P.L. 1985 Ch. 22)						
Other Expenses	3,414,730	3,414,730	3,414,730			
Employee Group Health	1,024,367	1,024,367	1,024,367			
Reserve for Tax Appeals	1,400,000	1,400,000	1,400,000			
Interlocal Municipal Service Agreements						
Hoboken Housing Authority						
Police Salaries & Wages	540,000	540,000	540,000			
Total Other Operations - Excluded from "CAPS"	6,379,097	6,379,097	6,379,097			

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expended
Public and Private Programs Offset by Revenues						
Clean Communities	70,962	70,961	70,961			
Cultural Affairs Studio Tour/Concert	3,200	3,200	3,200			
FEMA Fire Apparatus	427,962	427,962	427,962			
FEMA Fire Apparatus - Match	47,551	47,551	21,727	25,824		
Green Acres DEP Waterfront Reconstruction	900,000	900,000	900,000			
Hudson County HHS Municipal Alliance	40,261	40,261	40,261			
Hudson County HHS Municipal Alliance - Match	10,066	10,066		10,066		
Hudson County HHS Sen. Citizens 2011 Contract 6	12,000	12,000	12,000			
Hudson County HHS Sen. Citizens 2011 Contract 8	115,000	115,000	115,000			
2010 Open Space Grant - Castle Point/Sinatra Park	500,000	500,000	500,000			
Community Development Block Grant	457,000	457,000	457,000			
Pedestrian Safety Grant	16,000	16,000	16,000			
US Dept of Justice Mentoring Grant	30,000	30,000	30,000			
Edward Byrne JAG Grant	18,585	18,585	18,585			
Recycling Tonnage Grant	23,922	23,922	23,922			
Body Armor Grant	11,833	11,833	11,833			
FEMA Fire Equipment Grant	118,827	118,827	118,827			
FEMA Fire Equipment Grant - Match	13,203	13,203		13,203		
Municipal Court DWI Grant	1,510	1,510	1,510			
NJDOT 2010 Hudson Place Funding	80,000	80,000	80,000			
NJDOT 2011 Aid for Various Streets	400,125	400,125	400,125			
NJDOT 2009 Roadway Improvements	410,732	410,732	410,732			
FY 2011 State Tourism Grant	7,504	7,504	7,504			
NJDOT 2008/09 Safe Streets to Transit	80,000	80,000	80,000			
Summer Food Program 2011	34,115	34,115	34,115			
US Soccer Foundation 2011 Planning Grant	8,000	8,000	8,000			

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expended
Domestic Violence	1,250	1,250	1,250			
Public Healthcare	5,291	5,291	5,291			
Public Healthcare Management	118,921	118,921	118,921			
Walk Safe Hoboken	8,000	8,000	8,000			
Computer Program Elderly	674	674	674			
Clean Communities	97,387	97,387	97,387			
Fire Department Grant	47,438	47,438	47,438			
Senior Emergency Funds	3,059	3,059	3,059			
2008/09 Summer Food	25,728	25,728	25,728			
Over the Limit Under Arrest	4,700	4,700	4,700			
Public Health Priority Funding	17,727	17,727	17,727			
Bullet Proof Vest	14,377	14,377	14,377			
Adult Daycare	27,055	27,055	27,055			
Cultural Affairs Studio Tourism	7,680	7,680	7,680			
Bullet Proof Vest - Federal	5,132	5,132	5,132			
Save the Youth	17,881	17,881	17,881			
Total Public and Private Programs Offset by Revenues	4,240,658	4,240,657	4,191,564	49,093		
Total Operations-Excluded from "CAPS"	10,619,755	10,619,754	10,570,661	49,093		
Detail:						
Salaries and Wages	540,000	540,000	540,000			
Other Expenses	10,079,755	10,079,754	10,030,661	49,093		
Total:	10,619,755	10,619,754	10,570,661	49,093		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expended
Capital Improvements-Excluded from "CAPS"						
Computer Technology Updates	50,000	50,000	41,631	8,369		
Capital Improvement Fund	200,000	200,000	200,000			
Total Capital Improvements Excluded from "CAPS"	250,000	250,000	241,631	8,369		
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	3,170,000	3,170,000	3,170,000			
Payment of Note Principal	444,020	444,020	444,020			
Interest on Notes	1,974,650	1,974,650	1,841,864		132,786	
Interest on Notes	476,735	476,735	476,735			
Green Trust Loan Program						
Loan Repayments for Principal and Interest	212,925	212,925	195,437		17,488	
Underground Storage Tank Loan	24,475	24,475	24,474		1	
Total Municipal Debt Service-Excluded from "CAPS"	6,302,805	6,302,805	6,152,530		150,275	
DEFERRED CHARGES:						
Emergency Authorization	335,000	335,000	335,000			
Overexpenditure of Appropriations	1,619,393	1,619,393	1,619,393			
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,954,393	1,954,393	1,954,393			
Judgements	400,000	400,000	340,514		59,486	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	19,526,953	19,526,952	19,259,729	57,462	209,761	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Twelve Month Period Ended December 31, 2011

	2011 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled	Over- Expended
Subtotal General Appropriations	103,417,684	103,776,288	98,236,574	5,352,843	209,761	22,890
Reserve for Uncollected Taxes	3,292,369	3,292,369	3,292,369			
Total General Appropriations	<u>\$ 106,710,053</u>	<u>107,068,657</u>	<u>101,528,943</u>	<u>5,352,843</u>	<u>209,761</u>	<u>22,890</u>
Adopted Budget		106,152,714				
Appropriations by 40a:4-87		557,339				
Emergency Appropriation		358,604				
		<u>107,068,657</u>				
Reserve for Uncollected Taxes			3,292,369			
Deferred Charges			1,954,393			
Interfunds			161,472			
Various Reserves			1,400,000			
Encumbrances			1,606,275			
Cash Disbursements			93,114,434			
			<u>\$ 101,528,943</u>			

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Comparative Balance Sheet - Regulatory Basis

Trust Funds

Twelve Months Period ended December 31, 2011

and for the Six Month Period Ended December 31, 2010

			Twelve Month Period Ending December 31, 2011	Six Month Period Ending December 31, 2010
<u>Assets</u>	<u>Ref.</u>			
Animal License Fund:				
Cash	B-1	\$	<u>26,421</u>	<u>14,886</u>
Other Trust Funds:				
Cash	B-1		9,330,967	7,791,781
Deferred Charges-Overexpenditure of Reserves	B-6			8,795
Interfunds	B-5		<u>140,132</u>	<u>192,040</u>
			<u>9,471,099</u>	<u>7,992,616</u>
Section 8 - Housing Assistance Program:				
Cash	B-1		653,648	731,745
Due From Community Development Trust Fund	B-9		<u>23,645</u>	<u>127,044</u>
			<u>677,293</u>	<u>858,789</u>
Community Development Block Grant Trust Fund:				
Grants Receivable	B-12		<u>946,975</u>	<u>1,299,350</u>
			<u>946,975</u>	<u>1,299,350</u>
		\$	<u>11,121,788</u>	<u>10,165,641</u>

CITY OF HOBOKEN

Comparative Balance Sheet - Regulatory Basis

Trust Funds

Twelve Months Period ended December 31, 2011

and for the Six Month Period Ended December 31, 2010

	<u>Ref.</u>	<u>Twelve Month Period Ending December 31, 2011</u>	<u>Six Month Period Ending December 31, 2010</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	9,945	14,177
Due to State of New Jersey	B-3	644	709
Interfund	B-5	15,832	
		<u>26,421</u>	<u>14,886</u>
Other Trust Funds:			
Due to State of New Jersey	B-4	62,939	54,533
Interfunds	B-5	1,002,649	
Reserve for Other Trust Fund Deposits	B-6	8,405,511	7,938,083
		<u>9,471,099</u>	<u>7,992,616</u>
Section 8 - Housing Assistance Program:			
Due to Grantor - Section 8 Housing Assistance	B-8	47,711	47,711
Reserve for Sect. 8 - Housing Assistance Program	B-7	629,582	811,078
		<u>677,293</u>	<u>858,789</u>
Community Development Block Grant Trust Fund			
Reserve for Community Dev. Block Grant	B-11	893,800	1,172,306
Due to Current Fund	B-13	29,530	
Due to Section 8 - Housing Assistance Program	B-10	23,645	127,044
		<u>946,975</u>	<u>1,299,350</u>
		<u>\$ 11,121,788</u>	<u>10,165,641</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

Twelve Month Period Ended December 31, 2011 and
and for the Six Month Period Ended December 31, 2010

	<u>Ref.</u>	<u>Twelve Month Period Ended Dec. 31, 2011</u>	<u>Six Month Period Ended Dec. 31, 2010</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 4,523,381	6,935,254
Accounts Receivable:			
Port Authority	C-4	1,658,521	1,658,521
NJ DEP	C-4	951,000	951,000
Developer - Maxwell Place Walkway	C-4	101,730	101,730
Amount Due from Other Trust	C-7	1,000,000	
Amount Due from Current Fund	C-7	2,369,391	1,883,930
Deferred Charges to Future Taxation:			
Funded	C-5	35,215,526	38,576,078
Unfunded	C-6	71,245,591	60,678,313
		<u>\$ 117,065,140</u>	<u>110,784,826</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 33,872,442	37,042,442
Bond Anticipation Notes	C-9	31,338,290	31,782,310
Green Acres Trust Loan Payable	C-10	1,343,084	1,509,164
Underground Storage Tank Loan Payable	C-11		24,472
Improvement Authorizations:			
Funded	C-12	1,341,344	948,772
Unfunded	C-12	37,391,454	18,176,290
Amount Due to Parking Utility Capital Fund	C-7		2,000,000
Reserve for Encumbrances	C-13	3,273,832	2,226,958
Capital Improvement Fund	C-14	913,577	1,255,250
Reserve for Hazmat Funds - Due from Grant	C-15	17,630	17,630
Reserve for Payment of BAN's	C-15		232,060
Reserve for Green Acres - 1600 Adams Street	C-15	200,000	200,000
Reserve for Green Acres - 1600 Park Avenue	C-15	341,000	341,000
Reserve for Tarragon Settlement	C-15	2,000,000	
Reserve for Grants Receivable:			
Reconstruction of Pier C	C-15	2,609,521	15,000,000
Fund Balance	C-1	<u>2,422,966</u>	<u>28,478</u>
		<u>\$ 117,065,140</u>	<u>110,784,826</u>

There were \$39,907,301 and \$28,896,003 of Bonds and Notes Authorized but Not Issued on December 31, 2011 and December 31 2010 respectively (Exhibit C-16).

See accompanying notes to the financial statements.

CITY OF HOBOKEN, N.J.

Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010	\$	28,478
Increased by:		
Premium on Sale of Bond Anticipation Notes	\$	517,533
Funded Improvement Authorizations Canceled		<u>1,876,955</u>
		<u>2,394,488</u>
Balance, December 31, 2011	\$	<u><u>2,422,966</u></u>

See accompanying notes to the financial statements.

Exhibit D**CITY OF HOBOKEN, N.J.****Comparative Balance Sheet - Regulatory Basis****Parking Utility Fund****Twelve Month Period Ended December 31, 2011****and for the Six Month Period Ending December 31, 2010**

		Twelve Month Period Ending <u>Dec. 31, 2011</u>	Six Month Period Ending <u>Dec. 31, 2010</u>
<u>Assets</u>			
Parking Utility Operating Fund:			
Cash	D-4	\$ 5,497,287	4,343,801
Due From Parking Utility Capital Fund	D-5	<u>1,974,000</u>	<u>1,974,000</u>
Total Parking Utility Operating Fund		<u>7,471,287</u>	<u>6,317,801</u>
Capital Fund:			
Cash	D-4	1,059,653	
Fixed Capital	D-11	45,157,185	45,157,185
Due from General Capital Fund	D-13		2,000,000
Fixed Capital Authorized and Uncompleted	D-12	<u>1,600,000</u>	
Total Capital Fund		<u>47,816,838</u>	<u>47,157,185</u>
		<u>\$ 55,288,125</u>	<u>53,474,986</u>

CITY OF HOBOKEN, N.J.

Comparative Balance Sheet - Regulatory Basis

Parking Utility Fund

Twelve Month Period Ended December 31, 2011

and for the Six Month Period Ending December 31, 2010

		Twelve Month Period Ending Dec. 31, 2011	Six Month Period Ending Dec. 31, 2010
<u>Liabilities, Reserves and Fund Balance</u>			
Parking Utility Operating Fund:			
Appropriation Reserves	D-3,6	317,811	865,270
Security Deposits	D-7	233,776	233,776
Accrued Interest on Bonds and Notes	D-8	499,740	520,202
Reserve for Encumbrances	D-9	251,713	380,076
Interfund Accounts Payable:			
Due to Current Fund	D-10	1,654,119	309,694
Reserve for Debt Service	D-19	3,000,000	
Fund Balance	D-1	1,514,128	4,008,783
Total Parking Utility Operating Fund		7,471,287	6,317,801
Capital Fund:			
Interfund Accounts Payable:			
Due to Parking Utility Operating Fund	D-14	1,974,000	1,974,000
Bond Anticipation Notes	D-15	6,000,000	6,200,000
Serial Bonds Payable	D-16	18,730,000	19,855,000
Improvement authorization:			
Unfunded	D-17	885,653	226,000
Reserve for:			
Amortization	D-18	20,227,185	18,902,185
Total Capital Fund		47,816,838	47,157,185
		\$ 55,288,125	53,474,986

There were \$1,800,000 and \$200,000 of Bonds and Notes Authorized But Not Issued on December 31, 2011 and December 31, 2010 respectively (Exhibit D-20).

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Comparative Statement of Operations and Changes in
Fund Balance - Regulatory Basis

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

and for the Six Month Period Ending December 31, 2010

	Twelve Month Period Ending Dec. 31, 2011	Six Month Period Ending Dec. 31, 2010
Revenue and other income:		
Fund Balance Utilized	\$ 3,972,791	131,000
Revenues Anticipated	13,750,809	7,038,654
Cancelled Appropriations		66,881
Liabilities Cancelled	48,159	
Unexpended balance appropriation reserve	639,168	1,554,950
Total revenue and other income	<u>18,410,927</u>	<u>8,791,485</u>
Expenditures:		
Operating	7,308,027	3,604,805
Capital Improvements	205,000	257,000
Debt service	5,424,764	809,695
Deferred charges and statutory expenditures	495,000	147,500
Surplus (General Budget)	<u>3,500,000</u>	<u>1,750,000</u>
Total expenditures	<u>16,932,791</u>	<u>6,569,000</u>
Excess in revenues	1,478,136	2,222,485
Fund balance, Beginning	<u>4,008,783</u>	<u>1,917,298</u>
	5,486,919	4,139,783
Decreased by utilization by parking operating budget	<u>3,972,791</u>	<u>131,000</u>
Balance, Ending	<u>\$ 1,514,128</u>	<u>4,008,783</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Statement of Revenues - Regulatory Basis

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 3,972,791	3,972,791	
Parking Fees - Continuing Operations	9,400,000	9,372,428	(27,572)
Permits	775,000	1,456,910	681,910
Coupons	395,000	318,833	(76,167)
Interest		2,314	2,314
Boot Releases	525,000	479,015	(45,985)
Meter Income	1,800,000	1,961,393	161,393
Rentals	65,000	63,505	(1,495)
Miscellaneous		96,411	96,411
	<u>\$ 16,932,791</u>	<u>17,723,600</u>	<u>790,809</u>
Surplus Anticipated \$	3,972,791		
Cash		<u>13,750,809</u>	
		<u>\$ 17,723,600</u>	

See accompanying notes to financial statements.

CITY OF HOBOKEN, N.J.

Statement of Expenditures - Regulatory Basis

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

	Appropriations		Paid or charged	Reserved
	Budget	Budget after Modification		
Operating:				
Salaries and Wages	\$ 2,932,987	2,932,987	2,852,622	80,365
Other Expenses	3,329,500	3,329,500	3,098,898	230,602
Other Expenses-Trustee Fees	1,005,540	1,005,540	1,005,540	
Other Expenses - Group Health Benefits	40,000	40,000	40,000	
Total Operating	7,308,027	7,308,027	6,997,060	310,967
Capital Improvements				
Capital Outlay	205,000	205,000	198,156	6,844
Total Capital Improvements	205,000	205,000	198,156	6,844
Debt Service:				
Payment of Bond Principal	4,125,000	4,125,000	4,125,000	
Payment of Note Principal	200,000	200,000	200,000	
Interest on Bonds	969,764	969,764	969,764	
Interest on Notes	130,000	130,000	130,000	
	5,424,764	5,424,764	5,424,764	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Public Employees' Retirement System	250,000	250,000	250,000	
Social Security	180,000	180,000	180,000	
Unemployment Compensation	65,000	65,000	65,000	
Total Deferred Charges and Statutory Expenditures	495,000	495,000	495,000	
Surplus (General Budget)	3,500,000	3,500,000	3,500,000	
	\$ 16,932,791	16,932,791	16,614,980	317,811
			Cash Disbursed \$ 10,919,078	
			Interfunds 1,344,425	
			Encumbered 251,713	
			Reserve for Payment of Debt 3,000,000	
			Accrued Interest 1,099,764	
			\$ 16,614,980	

See accompanying notes to financial statements.

Exhibit E**CITY OF HOBOKEN, N.J.****Comparative Statement of General Fixed Assets-Regulatory Basis****December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
General Fixed Assets:		
Land	\$ 2,295,200	2,295,200
Buildings	27,987,274	27,987,274
Machinery and equipment	<u>8,168,216</u>	<u>8,168,216</u>
	<u>38,450,690</u>	<u>38,450,690</u>
Investment in General Fixed Assets	\$ <u>38,450,690</u>	<u>38,450,690</u>

See accompanying notes to financial statements.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City of Hoboken have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The City of Hoboken (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The City has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

Payroll Fund - Receipts and disbursements of payroll withholdings that the City collects on behalf of various agencies as their agents.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Parking Utility Fund - This fund is used to account for revenues and expenditures for operation of the City's parking garage and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities are accounted for in the capital section of the fund.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Fixed Assets Account Group - To account for all fixed assets of the City. The City's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the City of Hoboken. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and the water utility operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Parking Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011, the Council approved emergency appropriations of \$358,604 for Hurricane Irene and \$557,339 in additional revenues and appropriations in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The City of Hoboken has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Use of Estimate - The preparation of financial statements requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$0- of the City's bank balance of \$48,924,520 was exposed to custodial credit risk.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the City or bonds or other obligations of the local unit or units within which the City is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$37,042,442	\$	\$3,170,000	\$33,872,442	\$3,355,000
Parking Utility Obligation Debt	<u>19,855,000</u>	<u> </u>	<u>1,125,000</u>	<u>18,730,000</u>	<u>1,185,000</u>
Total Bonds Payable	<u>56,897,442</u>	<u> </u>	<u>4,295,000</u>	<u>52,602,442</u>	<u>4,540,000</u>
Other Liabilities:					
Green Acres Trust Loan	1,509,164		166,080	1,343,084	169,418
Underground Storage Tank Loan	24,472		24,472		
Pension Deferrals Payable	3,234,155		116,677	3,117,478	119,746
Compensated Absences Payable	<u>14,428,271</u>	<u>1,188,200</u>		<u>15,616,471</u>	
Total Other Liabilities	<u>\$19,196,062</u>	<u>\$1,188,200</u>	<u>\$307,229</u>	<u>\$20,077,033</u>	<u>\$289,164</u>

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The City's debt is summarized as follows:

	Year Ended December 31, <u>2011</u>	Six Month Period Ended December 31, <u>2010</u>	Year Ended June 30, <u>2010</u>
Issued:			
General Bonds, Notes and Loans	\$66,553,816	\$70,358,388	\$50,345,236
Parking Utility Bonds, Notes and Loans	24,730,000	26,055,000	24,255,000
Certificates of Participation			15,320,043
Hoboken Hospital Authority*	<u>48,230,000</u>	<u>50,150,000</u>	<u>52,000,000</u>
Net Debt Issued	<u>139,513,816</u>	<u>146,563,388</u>	<u>141,920,279</u>
Authorized But Not Issued:			
General Bond, Notes and Loans	39,907,301	28,896,003	45,622,753
Parking Utility Bonds, Notes and Loans	<u>1,800,000</u>	<u>200,000</u>	<u>2,200,000</u>
Total Authorized But Not Issued	<u>41,707,301</u>	<u>29,096,003</u>	<u>47,822,753</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$181,221,117</u></u>	<u><u>\$175,659,391</u></u>	<u><u>\$189,743,032</u></u>

* Guaranteed by the City of Hoboken

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.08%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$154,691,117	\$55,788,442	\$98,902,675
Utility Debt	<u>26,530,000</u>	<u>26,530,000</u>	
	<u><u>\$181,221,117</u></u>	<u><u>\$82,318,442</u></u>	<u><u>\$98,902,675</u></u>

Net Debt \$98,902,675 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$10,327,001,819 equals 0.98%.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of equalized valuation basis (municipal)	\$361,445,064
Net Debt	<u>(98,902,675)</u>
Remaining borrowing power	<u>\$262,542,389</u>

The City's long term debt consisted of the following at December 31, 2011:

<u>General Obligation Bonds - Paid by Current Fund</u>	<u>Amount Outstanding</u>
\$7,382,000 Early Retirement Pension Refunding Bonds - with an interest rate of 5.45% to 7.14%, issued August 1, 2003, due through April 1, 2033	\$7,217,442
\$38,325,000 Refunding Serial Bonds - with an interest rate of 5.45% to 6.00%, issued November 1, 2003, due through February 1, 2018	<u>26,655,000</u>
	<u>\$33,872,442</u>

Green Acres Loans - Paid By Current Fund

The City has four outstanding loan agreements with New Jersey Green Acres Bond Act of 1983 for the Little League Field, North Park, Castle Point Park and Multiple Park Project as follows:

The 2000 Little League Field and North Park award is a rate of 2.0%, in the amount of \$1,500,000 with semi-annual loan payments of various amounts made on July 29 and January 29 through January 29, 2016	\$459,063
The 2003 Castle Point Park project award is at a rate of 2.0%, in the amount of \$375,000 with semi-annual loan payments of various amounts made on September 6 and March 6 through March 6, 2022	219,860
The 2005 Multiple Park Project award is at a rate of 2.0%, in the amount of \$1,000,000 with semi-annual loan payments of various amounts made on September 22 and March 22 through March 22, 2023	<u>664,161</u>
	<u>\$1,343,084</u>

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED, (continued)

Parking Utility Bonds - Paid by Parking Utility Fund

Obligation Bonds Series 2002 - with an interest rate of 3.80% to 5.25% issued
December 31, 1998, due through December 31, 2023

\$18,730,000

The City's principal and interest for bonded debt and loans issued and outstanding as of December 31, 2011 is as follows:

	<u>General Capital Debt</u>		<u>Utility Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$3,524,418	\$1,708,700	\$1,185,000	\$884,124	\$7,302,242
2013	3,727,824	1,530,594	1,250,000	828,984	7,337,402
2014	3,951,297	1,334,658	1,270,000	778,425	7,334,380
2015	4,189,841	1,122,272	1,320,000	718,375	7,350,488
2016	4,389,865	896,586	1,390,000	647,238	7,323,689
2017	4,573,348	659,281	1,460,000	572,425	7,265,054
2018	4,839,923	408,967	1,540,000	493,675	7,282,565
2019	441,529	267,701	1,690,000	412,138	2,811,368
2020	463,168	242,012	1,770,000	327,963	2,803,143
2021	524,839	213,690	1,860,000	239,650	2,838,179
2022	549,885	182,248	1,950,000	149,956	2,832,089
2023	557,147	148,359	2,045,000	49,756	2,800,262
2024	580,000	112,125			692,125
2025	660,000	71,825			731,825
2026	775,000	25,188			800,188
2027	217,820	922,180			1,140,000
2028	213,756	986,244			1,200,000
2029	212,557	1,067,443			1,280,000
2030	209,768	1,145,232			1,355,000
2031	207,099	1,227,901			1,435,000
2032	204,501	1,315,499			1,520,000
2033	201,941	1,408,058			1,609,999
	<u>\$35,215,526</u>	<u>\$16,996,763</u>	<u>\$18,730,000</u>	<u>\$6,102,709</u>	<u>\$77,044,998</u>

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Hoboken Municipal Hospital Authority

On July 8, 2006, the State of New Jersey enacted the Municipal Hospital Authority Law, which authorizes certain cities to establish municipal hospital authorities to acquire and operate urban hospitals.

In August 2006, the City passed an ordinance creating the Hoboken Municipal Hospital Authority ("the HMHA"). The creation of the HMHA was approved by the State's Local Finance Board on August 9, 2006 and is subject to the policies and procedures of the "Local Authorities Fiscal Control Law," P.L. 1983, c313.

On December 21, 2006, the Local Finance Board approved the issuance of debt obligations to provide \$34 million of startup working capital and \$18 million of the initial phase of \$52 million of capital improvements, including construction of a medical office complex, facility remodeling and equipment acquisition. Repayment of the debt is guaranteed by the City.

Recently, the HMHA entered into negotiations with Bayonne Medical Center (BMC) to purchase the Hoboken Hospital. This transaction, as is proposed, would have a for profit entity, Hoboken University Medical Center Hold Co. purchase the hospital from the HMHA and defease the bonds guaranteed by the City of Hoboken. The HMHA has already filed for bankruptcy protection and if this transaction is fully approved, the HMHA would cease to exist through bankruptcy and the City would no longer be a guarantor of the defeased debt.

NOTE 4. BOND ANTICIPATION NOTES

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2011, the City had \$31,338,290 in outstanding general capital bond anticipation notes. The City also had \$6,000,000 of Parking Utility Capital Bond Anticipation notes.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the six month period ended December 31, 2011.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund	\$31,782,310	\$31,338,290	\$31,782,310	\$31,338,290
Parking Utility Capital Fund	<u>6,200,000</u>	<u>6,000,000</u>	<u>6,200,000</u>	<u>6,000,000</u>
	<u>\$37,982,310</u>	<u>\$37,338,290</u>	<u>\$37,982,310</u>	<u>\$37,338,290</u>

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the City of Hoboken:

	<u>Balance December 31, 2011</u>	<u>2012 Budget Appropriation</u>	<u>Balance Succeeding Year Budget</u>
Current Fund:			
Emergency Appropriation	\$358,605	\$358,605	\$
Overexpenditure of Appropriations	4,881,067	4,881,067	
Expenditures Without Appropriations	187,444	187,444	
Federal and State Grant Fund:			
Overexpenditure of Appropriations	<u>23,870</u>	<u>23,870</u>	<u> </u>
Total Deferred Charges	<u>\$5,450,986</u>	<u>\$5,450,986</u>	<u>\$ </u>

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 6. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 6. PENSION PLANS, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The City's contribution to the various plans, equal to the required contributions for each period, were as follows:

<u>Period Ended</u>	<u>PERS</u>	<u>PFRS</u>
Year Ended December 31, 2011	\$1,051,735	\$7,200,973
Six Months Ended December 31, 2010	-0-	-0-
Year Ended June 30, 2010	1,063,071	6,196,298

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
(continued)

NOTE 6. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

NOTE 7. ACCUMULATED VACATION AND SICK PAY

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers. Employees are allowed to accumulate unused vacation pay and redeem such unused time in cash (with certain limitations) upon death or retirement.

The estimated accumulated vacation time liability as of December 31, 2011 was \$15,616,471.

NOTE 8. FIXED ASSETS

The General Fixed Asset Account Group has not had an updated report since 2004. The balance sheet is carrying the unchanged balance of \$38,450,690.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 6. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

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CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 9. DUE TO/FROM OTHER FUNDS

Balances due from/to other funds at December 31, 2011 consist of the following:

\$1,974,000	Due to the Parking Utility Operating Fund from the Parking Utility Capital Fund for an improvement authorization.
1,654,119	Due to the Current Fund from the Parking Utility Operating Fund for reimbursement of expenses paid.
1,078	Due to the Current Fund from the Other Trust Fund for interest earned in the Unemployment Account.
1,315	Due to the Current Fund from the Other Trust Fund for interest earned in the Developers Escrow Trust.
256	Due to the Current Fund from the Other Trust Fund for reimbursement of expenses paid.
124,297	Due to the Other Trust Fund from the Current Fund for reimbursement of expenses paid for tax collector premiums.
8,817	Due to the Other Trust Fund from the Current Fund receipts deposited in error.
1,000,000	Due to the General Capital Fund from the Other Trust Fund for Open Space portion of ordinance.
2,369,390	Due to the General Capital Fund from the Current Fund for reimbursement of expenses paid.
7,018	Due to the Other Trust Fund from the Payroll Agency Fund for reimbursement of expenses paid.
29,530	Due to the Current Fund from the Community Development Trust for receipts deposited in error.
15,832	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
<u>1,201,138</u>	Due to the Current Fund from the Federal and State Grant Fund for reimbursement of expenses and net cancellations.
<u>\$8,386,790</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained insurance coverage to guard against these events which will provide minimum exposure to the City should they occur. During the 2010 calendar year, the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City of Hoboken is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City of Hoboken is a member of the Garden State Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The City of Hoboken pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Conner Strong/PERMA Risk Management Services.

The City of Hoboken continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
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(continued)

NOTE 11. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Prepaid Taxes	<u>\$725,486</u>	<u>\$0</u>
Cash Liability for Taxes Collected in Advance	<u>\$725,486</u>	<u>\$0</u>

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the City Counsel that the City is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. The following matters were identified by City Counsel to have significant risk exposure:

Andreula v. City of Hoboken & Belfiore v. City of Hoboken

Eleven retired employees are seeking contract damages arising out of the City's early retirement incentive ("ERI") program which was instituted while the City was under a State fiscal monitor, but discontinued as it relates to the group of plaintiffs in this case. The City won at trial but plaintiffs have appealed. Assuming a worst-case scenario, the City would be obligated to pay 3/5^{ths} of the \$600,000-\$700,000 in incentive payments owed to these individuals. Additionally, in the event the City is not successful, it is possible that the Pension Fund may assess another penalty against the City based upon the "shock" caused to system by the early retirements. Based on the amount of the prior fine, we are speculating that the amount of the fine would be in the \$1.5MM to \$2MM range.

Arezzo v. City of Hoboken

This Civil Service appeal is presently pending. The City initially suspended its Code Enforcement Officer for insubordination and subsequently terminated him for destroying City-owned property. Additionally, while not yet asserted, we expect the Plaintiff to file a CEPA claim in Superior Court based upon his contention that he was disciplined in retaliation for asserting a "right" pursuant to law. The ALJ ruled that Arezzo should be suspended for six months relative to the insubordination charge and an additional six months in connection with

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

the charge of destruction of public property. The City and Arezzo filed exceptions with the Civil Service Commission. The City is seeking Arezzo's termination. No decision has yet been issued. If Mr. Arezzo is successful in his OAL case, the City will have to reinstate him and pay some amount of back pay, in the area of six to eight months' pay. If the Plaintiff does file a CEPA claim against the City, in addition to compensatory damages, we can expect that he will request that punitive damages be assessed against the City and that the City reimburse him for his attorneys' fees. Damages are too speculative to calculate, and no suit has been filed.

Tartaglia v. City of Hoboken

This matter was filed on November 16, 2010 in the Superior Court of New Jersey. Plaintiff, a retired firefighter, sought an additional year of vacation pay which is not allowed under Civil Service regulations. The Superior Court case was dismissed in August 2011 in favor of arbitration. The arbitration is not yet concluded and possible damages (while speculative) may be in excess of \$2 million.

Campbell v. City of Hoboken and Cabrera v. City of Hoboken

Plaintiffs filed suit claiming the City engaged in bad-faith layoffs and demotions and were entitled to back pay and reinstatement. The matter continues to be litigated before the OAL. In the event Campbell is reinstated, his back pay claim would be approximately \$100,000.

Hudson Healthcare, Inc.

This law firm has represented the City, as special counsel only, with respect to one specific matter as to which we were consulted and which involved the Chapter 11 case of Hudson Healthcare, Inc. ("HHI"). Our representation of the City is described in our letter to you dated November 8, 2011 (copy attached.) (Capitalized term not defined in this letter shall have the recap set forth in the November 8th letter.)

Subsequent to the events described in our letter of November 8th, HHI and the HHI Creditors Committee have filed a Plan and Disclosure Statement that, in our opinion, conforms, insofar as the City's interests are concerned, to the requirements of the Settlement Agreement. A hearing to consider confirmation of the Plan is presently scheduled to be heard by the Bankruptcy Court on July 17, 2012.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Maxwell Plane Condominium Association, Inc. v. City of Hoboken

Maxwell Place Condominium Association, Inc. filed a Complaint against the City of Hoboken seeking a variety of equitable relief related to the use by the City of certain open space designated as Block A. That open space consists of an improved grass and landscaped area of approximately one acre atop an underground parking garage. As part of the approval process for the development project, this parcel was to be made available to the public, but was to remain in the private ownership of the Condominium Association. The litigation seeks to compel the City to enter into certain arrangements with the Condominium Association regarding the operation and maintenance of the parcel, the enforcement of Rules and Regulations, and the liabilities of the parties regarding any injuries or damage to the premises. The Complaint further sought to enjoin the public's current use of Block A. The Court denied the preliminary injunctive relief sought by the Plaintiffs and sent the matter to a Mediator. Mediation was unsuccessful and the matter was returned to the regular Court docket. Plaintiffs amended their Complaint to include various claims for damages, including amounts that exceed the threshold set forth in your request. Those damages include an anticipated rental amount for the City's use of this Block A park in the amount of approximately \$146,000, but continuing to increase to date.

The City is responding vigorously to the challenge and is simultaneously seeking an out-of-court settlement that would eliminate any damages and allow the City to utilize the property in a manner acceptable to both parties. To the extent that we can evaluate the litigation at this juncture, we believe that an unfavorable outcome is unlikely if the matter went to a trial and a decision. However, the City and the Plaintiffs have tentatively arrived at a resolution as abovementioned which is being considered during the post-balance period by the City Council. A trial date has been scheduled for October, 2012.

Tax Appeals

There were approximately 2,000 tax appeals filed in 2012. In addition, there are approximately 300 cases pending before the Tax Court. These cases, when resolved, will be paid by future taxation or reserve for tax appeals. The reserve for tax appeals at December 31, 2011 has a balance of \$2,603,618.

CITY OF HOBOKEN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011
AND SIX MONTH PERIOD ENDED DECEMBER 31, 2010
(continued)

NOTE 13. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY

The Hoboken Parking Authority ("HPA") initiated legal action against the Marina View Housing Company No. 1 for nonpayment of amounts due under the garage agreement dated April 25, 1973. On February 27, 1978, HPA and the Marina View Housing Company No. 1 reached a settlement under which it was agreed that the Marina View Housing Company No. 1 owed \$192,400 for all periods through December 31, 1977. The agreement also reduced the current monthly payment from \$13,336 to \$5,413, effective January 1, 1978.

By further agreements dated May 12, 1978 and April 15, 1980, entered into by HPA and the Marina View Housing Company No. 1, payment of the original settlement of \$192,400 and the revised current monthly payment have been deferred until such time as there is "surplus cash," as defined in the agreements, available to the Marina View Housing Company No. 1.

The Marina View Housing Company No. 1 has accrued the revised monthly payment since January 1, 1978. The related expense recognized under this agreement, for each of the years ending December 31, 2010 and December 31, 2009, was \$64,950. The aggregate amount due to HPA is \$2,295,166 and \$2,230,216 as of December 31, 2010 and December 31, 2009, respectively.

NOTE 14. FUND BALANCES

Fund balances as of December 31, 2011 that have been anticipated as revenue in the 2012 budget is as follows:

Current Fund	\$6,012,671
Public Parking System Utility Operating Fund	\$1,474,500

SUPPLEMENTARY DATA AND SCHEDULES

CITY OF HOBOKEN

Supplementary data

Comparative Schedule of Tax Rate Information

	Twelve Months ended December 31, <u>2011</u>	Six Months ended June 30, <u>2010</u>	Twelve Months ended June 30, <u>2010</u>
Tax rate	<u>4.621</u>	<u>4.745</u>	<u>4.489</u>
Apportionment of tax rate:			
Municipal	1.844	2.042	1.957
School	1.221	1.504	1.356
County	<u>1.556</u>	<u>1.199</u>	<u>1.176</u>

Assessed Value

Twelve Months ended December 31, 2011	\$ 3,010,230,709
Six Months ended December 31, 2010	3,035,024,800
Twelve Months ended June 30, 2010	3,035,024,800

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	Currently
			Percentage of Collection
Twelve Months ended December 31, 2011\$	140,400,124	135,682,665	96.64%
Six Months ended December 31, 2010	74,507,882	70,225,717	94.25%
Twelve Months ended June 30, 2010	142,726,345	141,052,131	98.83%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Dec. 31</u>	Amount of delinquent taxes	Tax title liens	Total delinquent	Percentage of tax levy
Twelve Months ended December 31, 2011\$	2,297,349	433,044	2,730,393	1.94%
Six Months ended December 31, 2010	1,033,187	299,164	1,332,351	1.79%
Twelve Months ended June 30, 2010	243,678	296,562	540,240	0.38%

CITY OF HOBOKEN

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2011 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by litigation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
Twelve Months ended December 31, 2011	\$ 2,806,900
Six Months ended December 31, 2010	2,806,900
Twelve Months ended June 30, 2010	2,806,900

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund			
Twelve Months ended December 31, 2011	\$	19,104,592	6,012,671
Six Months ended December 31, 2010		25,850,342	9,585,000
Twelve Months ended June 30, 2010		20,613,946	1,900,000
Twelve Months ended June 30, 2009		14,110,824	500,000
Twelve Months ended June 30, 2008		2,592,866	0
Water Utility Operating Fund			
Twelve Months ended December 31, 2011		1,514,128	1,474,500
Six Months ended December 31, 2010		4,008,783	3,972,791
Twelve Months ended June 30, 2010		1,917,298	131,000
Twelve Months ended June 30, 2009		1,312,680	300,000
Twelve Months ended June 30, 2008		311,607	100,000

CITY OF HOBOKEN

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office during the period under audit.

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Dawn Zimmer	Mayor	
Carol Marsh	Councilmember	
Ravinder Bhalla	Councilmember	
David Mello	Councilmember	
Theresa Castellano	Councilmember	
Elizabeth Mason	Councilmember	
Angelo Giacchi	Councilmember	
Jennifer Giattino	Councilmember	
Tim Occhipinti	Councilmember	
Peter Cunningham	Councilmember	
Michael Russo	Councilmember (1/1/11 - 6/30/11)	
Arch Liston	Business Administrator	(A)
James J. Farina	City Clerk	(A)
George DeStefano	Chief Financial Officer	(A)
Sharon Curran	Tax Collector	(A)
Michael Mongiello	Municipal Court Judge	(A)
Cataldo Fazio	Municipal Court Judge	(A)
Rose Ann Gohde	Municipal Court Administrator	(A)
Matthew Connelly	Prosecutor	(A)

A - Public Employee Dishonesty Bond, in the amount of \$1,000,000, covers all employees except those required to file statutory bonds

CITY OF HOBOKEN, N.J.

Cash Receipts and Disbursements -Treasurer

Current Fund

Twelve Month Period Ended December 31, 2011

	Current <u>Fund</u>	Federal and State Grant <u>Fund</u>
Balance December 31, 2010	\$ 27,219,986	1,602,488
Increased by Receipts:		
Tax Collector	136,939,071	
Miscellaneous Revenue Not Anticipated	2,462,274	
Interfunds Received	694,170	209,286
Due From State of New Jersey	45,956	
Revenue Accounts Receivable	37,753,290	
Tax Title Lien	2,168	
Tax Overpayments	905,619	
Water Liens Receivable	224	
State and Federal Grants Receivable		1,596,590
	<u>178,802,772</u>	<u>1,805,876</u>
	206,022,758	3,408,364
Decreased by:		
Current Year Budget Appropriations	93,114,434	
Appropriation Reserves	2,909,631	
Tax Overpayments	866,658	
County Taxes Payable	47,518,642	
Revenue Refunds	289,312	
Local District School Taxes	36,761,743	
Open Space Taxes	602,047	
Various Reserves	555,618	
Interfunds		24,888
Appropriated Reserves for Grants		1,789,749
Expenditure without Appropriation	<u>187,444</u>	<u>23,870</u>
	<u>182,805,529</u>	<u>1,838,507</u>
Balance December 31, 2011	\$ <u><u>23,217,229</u></u>	<u><u>1,569,857</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Cash - Change Fund

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ 1,700
Decreased by:	
Returned to Treasurer	<u>1,400</u>
Balance December 31, 2011	\$ <u><u>300</u></u>
Analysis of Balance:	
Tax Collector	\$ <u><u>300</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Amount Due from/(to) State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010		\$	27,152
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	15,000	
Veterans' Deductions Per Tax Billing		34,250	
Senior Citizen's, Veteran's, and Disabled Allowed		<u>1,000</u>	
			<u>50,250</u>
			77,402
Decreased by:			
Senior Citizen Deductions Disallowed		2,500	
State Share of Senior Citizens and Veteran			
Deductions Received in Cash		<u>45,956</u>	
			<u>48,456</u>
Balance December 31, 2011		\$	<u><u>28,946</u></u>

Exhibit A-7

Schedule of Amount Due from/(to) State of New Jersey

Twelve Months Ended December 31, 2011

Balance December 31, 2010		\$	3,864,300
Increased by:			
Anticipated Revenue			<u>86,458</u>
Balance December 31, 2011		\$	<u><u>3,950,758</u></u>
Qualified Bond Aid	\$	3,864,300	
Consolidated Municipal Property			
Tax Relief		<u>86,458</u>	
			<u><u>\$ 3,950,758</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Mortgage Receivable

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ <u>370,342</u>
Decreased by:	
Discharge of Mortgage	\$ <u><u>370,342</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Twelve Months Ended December 31, 2011

Period	Balance, December 31, 2010	Levy	Collected 2010	Collected 2011	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Tax Appeals pursuant to R.S. 54-3-21	Canceled	Balance, Dec. 31, 2011
SFY 2008	759			738					21
SFY 2009	55,133			55,133					
SFY 2010	29,175			6,588					22,587
TY 2010	948,120	296,664		1,241,697		3,087			
	1,033,187	296,664		1,304,156		3,087			22,608
2011		140,400,124		135,634,915	47,750	14,002	2,019,753	408,963	2,274,741
	\$ 1,033,187	140,696,788		136,939,071	47,750	17,089	2,019,753	408,963	2,297,349

Analysis of Tax Levy

Tax yield:
 General Purpose Tax \$ 139,102,767
 Added/Omitted Taxes 1,297,357

\$ 140,400,124

Tax Levy:
 Local District School Tax \$ 36,760,213
 County Tax \$ 46,783,159
 County Added and Omitted Taxes 435,478

47,218,637

83,978,850

54,948,952
 1,472,322

Local Tax for Municipal Purposes
 Additional Taxes

56,421,274

\$ 140,400,124

Exhibit A-10**CITY OF HOBOKEN, N.J.****Schedule of Tax Title Liens****Current Fund****Twelve Months Ended December 31, 2011**

Balance December 31, 2010		\$	299,164
Increased by:			
Interest and Costs of Tax Sale	\$	1,734	
Lien not previously recorded		117,225	
Transfers from Taxes Receivable		<u>17,089</u>	
			<u>136,048</u>
			435,212
Decreased by:			
Cash Receipt			<u>2,168</u>
Balance December 31, 2011		\$	<u><u>433,044</u></u>

Exhibit A-11**Schedule of Property Aquired for Taxes****Current Fund****Twelve Months Ended December 31, 2011**

Balance December 31, 2010	\$	<u>2,806,900</u>
Balance December 31, 2011	\$	<u><u>2,806,900</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Water Liens Receivable

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$	36,499
Decreased by:		
Prior year redemption		<u>224</u>
Balance December 31, 2011	\$	<u><u>36,275</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Twelve Months Ended December 31, 2011

<u>Source</u>	Balance December 31, 2010	<u>Accrued</u>	<u>Collected</u>	Balance December 31, 2011
Licenses and Fees:				
Alcoholic Beverages	\$	313,490	313,490	
Other		219,947	219,947	
Fees and Permits		462,125	462,125	
Zoning Board of Adjustment Fees		152,420	152,420	
Planning Board Fees		11,425	11,425	
Rent Leveling Fees		44,445	44,445	
Fines and Costs:				
Municipal Court	382,204	4,501,366	4,541,181	342,389
Interest and Costs on Taxes		316,647	316,647	
Parking Tax		1,223,160	1,223,160	
Riverview Cablevision Associates		456,653	456,653	
Interest on Investments and Deposits		29,881	29,881	
Rents on City Owned Property		62,370	62,370	
SJP Properties - Block A-Phase I		1,071,984	1,071,984	
SJP Properties - Block A-Phase II		1,071,984	1,071,984	
SJP Properties/Applied Block B		250,000	250,000	
Applied Development Co. - South Waterfront - Block C		1,235,072	1,235,072	
1300 Grand Street (Pilot Payment)		777,590	777,590	
Grogan Marineview Plaza		492,901	492,901	
Clocktowers		127,788	127,788	
Marion Towers Associates		175,877	175,877	
Church Towers Urban Renewal		479,240	479,240	
Columbian Towers		123,181	123,181	
Columbian Arms		31,487	31,487	
Hudson Square North		44,052	44,052	
Willow Avenue Associates - 800 - 812 Willow Avenue		73,022	73,022	
1200 Grand Street		1,027,288	1,027,288	
Applied Housing - 1203-1219 Willow Avenue		201,980	201,980	
Applied Housing - 1201-1221 Washington Estates		368,047	368,047	
Applied Housing - 1200-1220 Hudson Estates		404,883	404,883	
Applied Housing - 1301-1309 Bloomfield Estates		142,712	142,712	
Applied Housing - Midway 500-508 Adams Street		188,250	188,250	
Applied Housing - Elysian Estates		100,670	100,670	
Applied Housing - Church Square		167,960	167,960	
Applied Housing - Eastview Associates		126,812	126,812	
Applied Housing - Westview Associates		205,810	205,810	
Applied Housing - Northvale I - 911-923 Clinton Street		347,961	347,961	
Applied Housing - Northvale II - 901-919 Clinton Street		302,261	302,261	
Applied Housing - Northvale IIIA		75,006	75,006	
Applied Housing - Northvale III B - 1106-1014 Clinton Street		115,011	115,011	
Applied Housing - Northvale IV - 58 11th Street		19,237	19,237	
1100 Adams Street		587,855	587,855	
PILOTS Interest		5,256	5,256	
Sid Central		29,518	29,518	
Parking Utilities Surplus		3,500,000	3,500,000	
Consolidated Municipal Property Tax Relief Aid		4,788,917	4,788,917	
Energy Receipts Tax		6,324,118	6,324,118	
Uniform Construction Code Fees		1,325,175	1,325,175	
Hoboken Housing Authority - Public Safety		536,667	536,667	
Uniform Fire Safety Act		89,532	89,532	
Outside Duty Police Administration		91,172	91,172	
Verizon TV Franchise Fee		132,846	132,846	

CITY OF HOBOKEN, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Twelve Months Ended December 31, 2011

Source	Balance December 31, 2010	Accrued	Collected	Balance December 31, 2011
1001 Jefferson		944,578	944,578	
W Hotel		503,151	503,151	
Hotel/Motel Occupancy Fee		510,872	510,872	
800 Jackson Ave. (PILOT)		660,175	660,175	
United Water Concession		154,000	154,000	
FEMA Reimbursement		66,467	66,467	
Path/NJ Transit BL 139 L4		7,639	7,639	
	<u>\$ 382,204</u>	<u>37,799,933</u>	<u>37,839,748</u>	<u>342,389</u>
			\$ 37,753,290	
			86,458	
			<u>\$ 37,839,748</u>	

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Current Fund

Twelve Months Ended December 31, 2011

<u>Fund</u>	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Federal and State Grant Fund	2,594	1,384,904	186,360	1,201,138
Trust Funds:				
Animal License Trust		15,832		15,832
Other Trust	(91,332)	134,572	42,984	256
Developers Escrow Trust		1,315		1,315
Tax Collector Premium Trust			124,297	(124,297)
O&M Trust Loan	(100,708)	124,297	32,406	(8,817)
Community Development Trust		29,530		29,530
Workers Compensation Trust		1,078		1,078
Parking Operating Fund	309,694	1,344,425		1,654,119
General Capital Fund	(1,883,930)		485,460	(2,369,390)
	<u>(1,763,682)</u>	<u>3,035,953</u>	<u>871,507</u>	<u>400,764</u>
Due to Current Fund	312,288	2,777,084	186,104	2,903,268
Due from Current Fund	<u>(2,075,970)</u>	<u>258,869</u>	<u>685,403</u>	<u>(2,502,504)</u>
	<u>\$ (1,763,682)</u>	<u>3,035,953</u>	<u>871,507</u>	<u>400,764</u>

Analysis of Changes

Receipts	\$	660,465	33,705
Disbursements			
Grant Cancellations		1,175,618	
Reserves to surplus		134,572	
Reallocations		125,612	125,612
Reimbursement for expenses paid		894,324	56,448
Funds deposited in incorrect account		29,530	
Capital Improvement Fund			200,000
Premium on Notes			285,473
Statutory Excess		15,832	
Appropriations			<u>170,269</u>
	\$	<u>3,035,953</u>	<u>871,507</u>

CITY OF HOBOKEN, N.J.

Schedule of Due from County of Hudson Open Space

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ <u>460,963</u>
Balance December 31, 2011	\$ <u><u>460,963</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges

Current Fund

Twelve Months Ended December 31, 2011

Description	Balance December 31, <u>2010</u>	<u>Added</u>	Raised in 2011 <u>Budget</u>	Balance December 31, <u>2011</u>
Current Fund:				
Emergency Authorizations	\$ 335,000	358,605	335,000	358,605
Overexpenditure of Appropriation Reserves	6,477,570		1,619,393	4,858,177
Overexpenditure of Appropriations		22,890		22,890
Expenditures without Appropriations		187,444		187,444
Federal and State Grant Fund:				
Overexpenditure of Appropriations	<u>161,474</u>	<u>23,870</u>	<u>161,474</u>	<u>23,870</u>
	<u>\$ 6,974,044</u>	<u>592,809</u>	<u>2,115,867</u>	<u>5,450,986</u>

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Government:				
Mayor and Council				
Salaries and Wages	69	69		69
Other Expenses	3,175	3,639	464	3,175
City Council				
Salaries and Wages	282	282		282
Other Expenses	3,038	3,073	2,005	1,068
Office of the Clerk				
Salaries and Wages	14,129	14,129		14,129
Other Expenses	5,571	5,841	506	5,335
Other Expenses - Legal Advertising	5,344	13,956	11,078	2,878
Other Expenses - Codification of Ordinances	8,000	30,000		30,000
Salaries and Wages - Elections	2,744	2,744		2,744
Other Expenses - Elections	9,008	10,300	1,292	9,008
Department of Administration				
Business Administrator's Office				
Salaries and Wages		15		15
Other Expenses	2,560	3,383	2,668	715
Purchasing				
Salaries and Wages	1,546	1,546		1,546
Other Expenses	231	1,495	172	1,323
Personnel and Health Benefits				
Other Expenses	969	1,149	76	1,073
Zoning and Administration				
Salaries and Wages	35	35		35
Other Expenses	184	1,838	598	1,240
Uniform Construction Code				
Salaries and Wages	13,190	13,190		13,190
Other Expenses	44,021	30,798	16,612	14,186
Corporation Council				
Salaries and Wages	6,242	6,242		6,242
Other Expenses	1,684	12,638	10,318	2,320
Other Expenses - Special Council	6,881	275,539	240,847	34,692
Other Expenses - Expert Witness & Appraisal	4,549	4,549	4,500	49
Revenue and Finance Director				
Salaries	2,590	2,590		2,590
Other Expenses	2,019	2,968	1,601	1,367
Annual Audit				
Other Expenses	52,500	52,500	51,410	1,090
Tax Collections				
Salaries and Wages	1,491	1,491		1,491
Other Expenses	3,307	7,814	7,615	199
Information Technology				
Salaries and Wages	165	165		165
Other Expenses	13,913	3,913	1,000	2,913
Municipal Court				
Salaries and Wages	47,893	47,893		47,893
Other Expenses	58,050	52,590	21,350	31,240
Public Defender				
Salaries and Wages	1,300	1,300		1,300
Other Expenses	495	950	455	495
Office of the Tax Assessor				
Salaries and Wages	2,839	2,839		2,839
Other Expenses	3,294	16,540	16,318	222
Department of Human Services				
Director's Office				
Salaries and Wages	234	234		234
Other Expenses	259	259		259
Rent Leveling				
Salaries and Wages	29	29		29
Other Expenses	528	753	48	705

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, 2010	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Housing Inspections				
Salaries and Wages	759	759		759
Other Expenses	426	500	74	426
Health				
Salaries and Wages	10,300	10,300		10,300
Other Expenses	5,290	14,437	12,081	2,356
Senior Citizens				
Salaries and Wages	2,307	7		7
Other Expenses	288	4,924	2,342	2,582
Recreation and Cultural Affairs				
Salaries and Wages	42,927	42,927		42,927
Other Expenses	5,095	40,211	28,303	11,908
Cultural Affairs				
Salaries and Wages	11,489	11,489		11,489
Department of Environmental Services				
Director's Office				
Salaries and Wages	181	181		181
Other Expenses	2,449	2,890	561	2,329
Parks				
Salaries and Wages	6,913	6,913		6,913
Other Expenses	19,431	30,380	15,644	14,736
Public Property				
Salaries and Wages	547	547		547
Other Expenses	61,625	113,326	53,665	59,661
Streets and Roads				
Salaries and Wages	13,321	13,320		13,320
Other Expenses	16,075	50,464	46,557	3,907
Emergency Sinatra Drive	272,495	335,000	333,541	1,459
Central Garage				
Salaries and Wages	32,792	17,792		17,792
Other Expenses	46,808	151,378	133,488	17,890
Sanitation				
Salaries and Wages	70,419	10,419		10,419
Other Expenses	508,163	675,066	665,778	9,288
Department of Community Development				
Director's Office				
Salaries and Wages	565	565		565
Other Expenses	6,382	22,607	13,572	9,035
Grants Management				
Salaries and Wages				
Other Expenses		14,250	12,000	2,250
Planning Board				
Salaries and Wages	1,239	1,239		1,239
Other Expenses	10,059	20,416	17,135	3,281
Zoning Board of Adjustment				
Other Expenses	45,627	48,317	28,198	20,119
Redevelopment				
Other Expenses	67,000	128,348	47,999	80,349
Historical Preservation Committee				
Other Expenses	150	150		150
Department of Public Safety				
Police				
Salaries and Wages		21,850		21,850
Other Expenses	5,477	40,104	37,972	2,132
Acquisition of Vehicles		108,000	108,000	
Fire				
Salaries and Wages	281,685	259,820		259,820
Other Expenses	58,367	118,303	64,748	53,555
Office of Emergency Management				
Salaries and Wages	14,273	14,273		14,273
Other Expenses	2,913	3,913	1,000	2,913

CITY OF HOBOKEN, N.J.

Schedule of Appropriation Reserves

Current Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, 2010	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Insurance				
General Liability	4,713	4,713	1,144	3,569
Worker's Compensation	2,444	132,173	125,372	6,801
Employee Group Health	786,211	583,629	189,837	393,792
UNCLASSIFIED:				
Alcoholic Beverage Control Board				
Salaries and Wages	234	234		234
Other Expenses	1,150	1,250	179	1,071
Settlement of Claims Against the City	2,500	2,500		2,500
Towing/Storage of Abandoned Vehicles	2,340	2,340	437	1,903
Engineering	38,631	130,817	102,495	28,322
Labor Arbitrations	916	8,290	4,579	3,711
Municipal Dues and Memberships	3,500	3,500	2,535	965
Celebration of Public Events	7,083	7,083		7,083
Postage	20,355	5,355		5,355
Office Machines	14,453	16,668	14,834	1,834
Stationary and Office Supplies	25,510	15,108	9,078	6,030
Tax Maps	2,500	175,000	164,306	10,694
Utilities:				
Electricity	78,520	78,520	54,690	23,830
Street Lighting	62,434	69,434	67,896	1,538
Gasoline	99	30,931	30,833	98
Fuel	9,020	13,926	9,727	4,199
Water and Sewer	449	6,811	6,362	449
Communications	4,012	46,383	44,421	1,962
Telecommunications Equipment	3,648	3,648	3,607	41
Anticipated Terminal Leave Appropriation	236,874	236,874		236,874
Total Operations within "CAPS"	<u>3,255,791</u>	<u>4,541,850</u>	<u>2,845,923</u>	<u>1,695,927</u>
STATUTORY EXPENDITURES:				
Contribution to:				
Social Security System (O.A.S.I.)	169,213	169,213		169,213
Consolidated Police and Firemen's Pension Fund	15,504	15,504		15,504
Unemployment Compensation Insurance	74,852	74,852	63,708	11,144
Operations - Excluded from "CAPS"	<u>259,569</u>	<u>259,569</u>	<u>63,708</u>	<u>195,861</u>
Total Expenditures	\$ <u>3,515,360</u>	<u>4,801,419</u>	<u>2,909,631</u>	<u>1,891,788</u>
Appropriation Reserves	\$ 3,515,360			
Encumbrances		<u>1,286,059</u>		
		\$ <u>4,801,419</u>		

Exhibit A-18

CITY OF HOBOKEN, N.J.

Schedule of Promissory Note - H.C.I.A.

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ <u>370,342</u>
Decreased by:	
Discharge of Mortgage	\$ <u><u>370,342</u></u>

Exhibit A-19

Schedule of County Taxes Payable

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ 735,483
Increased by:	
Levied	<u>47,218,637</u>
	47,954,120
Decreased by:	
Cash Disbursements	<u>47,518,642</u>
Balance December 31, 2011	\$ <u><u>435,478</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Tax Overpayments

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ 168,164
Increased by:	
Collections	<u>905,619</u>
	1,073,783
Decreased by:	
Refunds	<u>866,658</u>
Balance December 31, 2011	\$ <u><u>207,125</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Local District School Taxes Payable

Current Fund

Twelve Months Ended December 31, 2011

Balance December 31, 2010	\$ 20,881
Increased by:	
Levy	<u>36,760,213</u>
	36,781,094
Decreased by:	
Payments	<u>36,761,743</u>
Balance December 31, 2011	\$ <u><u>19,351</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Various Reserves

Current Fund

Twelve Months Ended December 31, 2011

<u>Program</u>	Balance, December 31, <u>2010</u>	Increased by	Decreased by	Balance, December 31, <u>2011</u>
Ragamuffin Parade	\$ 7,306		7,306	
Tax Appeals	1,759,236	1,400,000	555,618	2,603,618
Reserve for Retroactive Pay	2,210,497		2,210,497	
911 Relief Fund	49,248		49,248	
D.A.R.E.	8,964		8,964	
Sinatra Park	23,241		23,241	
Public Assistance	8,714		8,714	
PILOT - County Share	67,077	945,589		1,012,666
Other	24,618		24,618	
Detention Center	1,280		1,280	
Master Plan	113,268		113,268	
	<u>\$ 4,273,449</u>	<u>2,345,589</u>	<u>3,002,754</u>	<u>3,616,284</u>
County Share		\$ 945,589		
Canceled			236,641	
Disbursements			555,618	
Budget Reimbursements			2,210,495	
Appropriations		<u>1,400,000</u>		
		<u>\$ 2,345,589</u>	<u>3,002,754</u>	

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, <u>2010</u>	2011 Budget Revenue <u>Realized</u>	<u>Collections</u>	Transferred from Unappropriated Reserves <u>Cancelled</u>	Balance, December 31, <u>2011</u>
Click it Or Ticket	\$ 400				400
Roadway Improvements 2006	17,886				17,886
Public Health Priority Funding	58,796				58,796
State Cooperative Housing Inspection	2,990				2,990
NFL Youth Football Grant	4,000				4,000
Roadway Improvements 8th Street	15,730				15,730
Recycling Tonnage	98,130				98,130
1118 Adams Street Urban Renewal	45,000				45,000
Hazardous Discharge Site	19,893				19,893
Home Support and Adult Daycare	31,058				31,058
Home Support and Adult Daycare	88,807				88,807
Multi Service Center Replacement	150,000				150,000
Child Care Services	150,000				150,000
Family Planning Services	20,000				20,000
United Cerebral Palsy	2,000				2,000
City Recreation Program	10,000				10,000
Recycling Tonnage	80,016				80,016
State Aid Highway Street School District	113,000				113,000
Clean Communities - 2008	80,455				80,455
1600 Park Ave Development	300,000				300,000
Smart Growth Planning	15,000				15,000
Public Health Priority Funding	15,974				15,974
Summer Food Program	8,224				8,224
State Local Cooperative Housing Inspection Program	25,003				25,003
Multi Service Center Roof Replacement	200,000				200,000
Child Care Services	100,000				100,000
Family Planning Services	20,000				20,000
United Cerebral Palsy	2,000				2,000
City Recreation Program	10,000				10,000
Click it or Ticket	4,000				4,000
Walk Safe Hoboken Pedestrians	2,800				2,800
2008 Roadway Improvement Project	121,122		53,833		67,289
Clean Energy Program	41,692				41,692
Jubilee Center	50,000				50,000
Over Limit/Under Arrest	5,000		4,400		600
2009 Pedestrian Safety/Walk Safe	800				800
Senior Emergency Funds	2,583				2,583
Home Support and Adult Daycare	75,627		13,406		62,221
State Local Cooperative Housing Inspection Program	49,000		49,000		
NJDOT 2010 Aid Program Various Streets	165,594				165,594
United Cerebral Palsy	2,000				2,000

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, 2010	2011 Budget Revenue Realized	Collections	Transferred from Unappropriated Reserves	Cancelled	Balance, December 31, 2011
NJDOT-Safe Streets to Transit	24,035					24,035
Body Armor Replacement Fund	4,309					4,309
NJEDA Hazardous Site Remediation	29,387					29,387
Clean Communities	12,084					12,084
NJ Dept of Health H1N1	56,754					56,754
Justice Assistance Grant	82,531		82,531			
Municipal Alliance (County Share)	1,802		1,802			
Hudson County Open Space 1600 Park Ave	300,000					300,000
Hudson County Cultural and Heritage	1,184					1,184
Energy Efficient Block Grant	119,308		119,308			
Homeland Security Safer Grant	42,491					42,491
Justice Assistance Grant	20,015		20,015			
Pal of NJ, Juvenile Justice Program: FY'09/10 Afterschool	19,628		15,097			4,531
Edward Byrne Memorial Jag (2010)	20,858		20,858			
Hoboken 911 Memorial on Pier	250,000					250,000
Recycling Tonnage	25,021		25,021			
Business Stimulus Fund Grant	6,500					6,500
Summer Food Program	168					168
CDBG - 2010	562,000					562,000
FY11 Pedestrian Safety Education and Enforcement	15,000		15,000			
State Local Cooperative Housing Inspection Program	68,276		13,560			54,716
Holiday Yr End Statewide Crackdown	5,000		5,000			
Clean Communities		70,961	70,961			
Cultural Affairs Studio Tour/Concert		3,200	2,400			800
FEMA Grant - Fire Apparatus		427,962				427,962
Green Acres - DEP Waterfront Reconstruction		900,000				900,000
Municipal Alliance - Grant (2011)		40,261	5,104			35,157
Hudson Co. HHS Senior Citizens - 2011 #688		12,000	11,640			360
Hudson Co. HHS Senior Citizens - 2011 #88		115,000	85,856			29,144
2010 Open Space Grant - Castle Point/Sinatra Park		500,000				500,000
FEMA - Fire Equipment Grant		118,827	118,827			
Municipal Court DWI Grant		1,510	1,510			
NJ DOT - 2010 Hudson Place Funding		80,000				80,000
NJ DOT - 2011 Aid for Various Streets		400,125	286,613			113,512
NJ DOT - 2009 Roadway Improvements		410,732	145,512			265,220
FY 2011 State Tourism Grant		7,504	6,003			1,501
NJ DOT 2008/2009 Safe Streets to Transit		80,000				80,000
Summer Food Program 2011		34,115	33,964			151
US Soccer Foundation - 2011 Planning Grant		8,000				8,000
Domestic Violence		1,250		1,250		
Public Healthcare Management Caregivers		5,291		5,291		
Public Healthcare Management Caregivers		118,921		118,921		
Walk Safe Hoboken		8,000		8,000		
Computer Program for the Elderly - DYFS		674		674		
Clean Communities		97,388		97,388		
Fire Department Grant		47,439		47,439		
Senior Emergency Funds		3,059		3,059		

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, <u>2010</u>	2011 Budget Revenue <u>Realized</u>	<u>Collections</u>	Transferred from Unappropriated <u>Reserves</u>	<u>Cancelled</u>	Balance, December 31, <u>2011</u>
08-09 Summer Food		25,728		25,728		
Over the Limit Under Arrest		4,700		4,700		
Public Health Priority Funding		17,727		17,727		
Bullet Proof Vest		14,377		14,377		
Adult Day Care		27,055		27,055		
Cultural Affairs Studio Tourism		7,680		7,680		
Bullet Proof Vest - Federal		5,132		5,132		
Save the Youth		17,881		17,881		
Community Development Block Grant - 2011		457,000	353,614			103,386
Pedestrian Safety Highway Grant		16,000				16,000
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program		30,000				30,000
Recycling Tonnage		23,922	23,922			
Edward Byrne Memorial Justice Assistance Grant - (JAG)		18,585				18,585
Body Armor Replacement Fund		11,833	11,833			
	<u>\$ 3,870,931</u>	<u>4,169,839</u>	<u>1,596,590</u>	<u>402,302</u>	<u>1,027,359</u>	<u>5,014,519</u>

CITY OF HOBOKEN, N.J.

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Twelve Months Ended December 31, 2011

<u>Program</u>	Balance, December 31, <u>2010</u>	Anticipated Revenue in <u>2011</u>
Senior Emergency Funds	\$ 3,059	3,059
Public Health Priority Funding	17,727	17,727
Bullet Proof Vest	14,377	14,377
Adult Day Care	27,055	27,055
Summer Food Program	25,728	25,728
Over the Limit Under Arrest	4,700	4,700
Domestic Violence	1,250	1,250
Public Health Care	5,291	5,291
Public Healthcare Management Caregivers	118,921	118,921
Walk Safe Hoboken Pedestrians	8,000	8,000
Comp Prog Elderly	674	674
Clean Communities	97,388	97,388
Cultural Affairs/Tourism	7,680	7,680
Fire Department Grant	47,439	47,439
Bullet Proof Vest	5,132	5,132
Save the Youth	17,881	17,881
	<u>\$ 402,302</u>	<u>402,302</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Federal and State Grant Fund

Twelve Months Ended December 31, 2011

	Balance, December 31, <u>2010</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2011</u>
Current Fund	\$ <u>(2,594)</u>	<u>186,360</u>	<u>1,384,904</u>	<u>(1,201,138)</u>
Budget Appropriations	\$ 161,472			
Cancellations			1,175,618	
Cash Receipts			209,286	
Cash Disbursements		<u>24,888</u>		
		\$ <u>186,360</u>	<u>1,384,904</u>	

CITY OF HOBOKEN, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

December Months Ended December 31, 2011

<u>Grant</u>	Balance, December 31, 2010	2011 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, 2011
Section 8 Housing Assistant Admin	125,000			(125,000)	
Walk Safe Pedestrian Grant	1,379			(1,379)	
Roadway improvements 8th Street	37,478			(37,478)	
Save the Youth Grant	3			(3)	
NJ 2007 Body Armor Replacement Grant	3,098			(3,098)	
Clean Communities 2006	6			(6)	
NJ Youth Football Grant	8,000			(8,000)	
Roadway Improvements 2006	178,779			(178,779)	
Roadway Improvements 2007	240,335			(240,335)	
NJDCA Urban Renewal 1118 Adams Street	45,000			(45,000)	
NJ Hazardous Discharge	3,687			(3,687)	
Hudson County Open Space Grant	1				1
Hazmat Donations	36,616			(36,616)	
Home Support and Adult Daycare	66,482			(66,482)	
Home Support and Adult Daycare	210,225			(210,225)	
Multi Service Center Replacement	150,000			(150,000)	
Child Care Services	150,000			(150,000)	
Family Planning Services	20,000			(20,000)	
United Cerebral Palsy	2,000			(2,000)	
City Recreation Program	10,000			(10,000)	
Recycling Tonnage	133,647			(133,647)	
Body Amor Replacement Fund	1			(1)	
Alcohol Education and Rehab	18,224			(18,224)	
COPS in School	22,800			(22,800)	
Body Amor Replacement Fund	5,763			(5,763)	
State Forestry Green Community Grant	2,000			(2,000)	
Adult Day Care	10,861			(10,861)	
Drunk Driving Enforcement Grant	10,624			(10,624)	
Drunk Driving Enforcement Grant	5,142			(5,142)	
Downtown Revitalization Program	125,555			(125,555)	
Public Healthcare Management Caregivers	90,893			(90,893)	
Summer Food Program	6,274			(6,274)	
Computer Program for the Elderly - DYFS	40,000			(40,000)	
Clean Communities - 2007	5,169			(5,169)	
12 Street Project and 20001 Clinton Street	18,497			(18,497)	
2005 Roadway Improvement Project	114,926			(114,926)	
State Aid Highway Hudson Place 2003	32,585			(32,585)	
State Aid Highway Hudson Place 2004	19,144			(19,144)	
State Aid Highway Street School District	125,551			(125,551)	
Fire Department Grant	36,000			(36,000)	
Clean Communities 2008	28,197			(28,197)	
1600 Park Ave Development	300,000				300,000
Smart Growth Planning	60,000			(60,000)	
Senior Emergency Funds	2,845			(2,845)	
2008 Pedestrian Safety Walk Safe	941				941
Public Health Priority Funding	191			(191)	

CITY OF HOBOKEN, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

December Months Ended December 31, 2011

Grant	Balance, December 31, 2010	2011 Grants Budgeted	Expenditures	Canceled	Balance, December 31, 2011
Summer Food Program	4,822				4,822
Home Support and Adult Day Care	25,400				25,400
Multi Service Center Roof Replacement	200,000		44,543		155,457
Child Care Services	100,000		5,307		94,693
Family Planning Services	20,000		10,415		9,585
United Cerebral Palsy	2,000		2,000		
City Recreation Program	10,000				10,000
Click it or Ticket	4,000				4,000
Body Armor Replacement Fund	6,130		1,069		5,061
Walk Safe Hoboken Pedestrians	3,600				3,600
Clean Communities	27,821		16,562		11,259
Clean Communities	11,004		1,695		9,309
2008 Roadway Improvement Project	64,305		1,100		63,205
Save the Youth	2,771		2,755		16
2009 Roadway Improvement Project			(12,536)		12,536
Jubilee Center	50,000		11,721		38,279
Over Limit/Under Arrest	200				200
2009 Pedestrian Safety/Walk Safe	90,905				90,905
NJDOT 2010 Aid Program Various Streets	407,880		404,200		3,680
United Cerebral Palsy	2,000				2,000
NJDOT-Safe Streets to Transit	80,000				80,000
Drunk Driving Enforcement Grant	5,942				5,942
Body Armor Replacement Fund	4,064		4,064		
NJEDA Hazardous Site Remediation	30,879		30,505		374
Walk Safe Hoboken Pedestrians	4,000		4,000		
Clean Communities	56,800		52,108		4,692
Clean Communities	12,084				12,084
NJ Dept of Health H1N1	67,270		11,518		55,752
Hepatitis B	4,705				4,705
NJ Health Officers Association	300		300		
Hudson County Open Space Grant 1600 Park Ave	252,637		252,637		
Energy Efficient Block Grant	161,000		161,000		
NJ Body Armor	12,642				12,642
Pal of NJ, Juvenile Justice Program: FY'09/10 Afterschool	23,360				23,360
Edward Byrne Memorial Jag 2010	20,858		20,858		
Alcohol Education and Rehab 2009	955				955
Alcohol Education and Rehab 2008	53				53
Hoboken 911 Memorial on Pier	241,819		52,945		188,874
Recycling Tonnage	25,021				25,021
Business Stimulus Fund Grant	6,500		6,500		
Summer Food Program	351				351
CDBG 2010	562,000		444,910		117,090
FY11 Pedestrian Safety Education and Enforcement	15,000		15,000		
State Local Cooperative Housing Inspection	100,000		100,000		
Holiday Year End Statewide Crackdown	5,000		5,000		

CITY OF HOBOKEN, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

December Months Ended December 31, 2011

Grant	Balance, December 31, 2010	2011 Grants Budgeted	Expenditures	Canceled	Balance, December 31, 2011
Clean Communities		70,961	37,900		33,061
Cultural Affairs Studio Tour/Concert		3,200	550		2,650
FEMA Grant - Fire Apparatus		427,962	427,962		
Green Acres - DEP Waterfront Reconstruction		900,000			900,000
Municipal Alliance - Grant (2011)		40,261	31,270		8,991
Hudson Co. HHS Senior Citizens - 2011 #688		12,000	12,000		
Hudson Co. HHS Senior Citizens - 2011 #88		115,000	115,000		
2010 Open Space Grant - Castle Point/Sinatra Park		500,000			500,000
FEMA - Fire Equipment Grant		118,827			118,827
Municipal Court DWI Grant		1,510			1,510
NJ DOT - 2010 Hudson Place Funding		80,000	48,447		31,553
NJ DOT - 2011 Aid for Various Streets		400,125	47,104		353,021
NJ DOT - 2009 Roadway Improvements		410,732			410,732
FY 2011 State Tourism Grant		7,504	7,297		207
NJ DOT 2008/2009 Safe Streets to Transit		80,000	74,960		5,040
Summer Food Program 2011		34,115	29,660		4,455
US Soccer Foundation - 2011 Planning Grant		8,000			8,000
Domestic Violence		1,250			1,250
Public Healthcare Management Caregivers		5,291			5,291
Public Healthcare Management Caregivers		118,921	80,497		38,424
Walk Safe Hoboken		8,000			8,000
Computer Program for the Elderly - DYFS		674			674
Clean Communities		97,387			97,387
Fire Department Grant		47,438			47,438
Senior Emergency Funds		3,059			3,059
08-09 Summer Food		25,728			25,728
Over the Limit Under Arrest		4,700	4,400		300
Public Health Priority Funding		17,727	318		17,409
Bullet Proof Vest		14,377			14,377
Adult Day Care		27,055			27,055
Cultural Affairs Studio Tourism		7,680			7,680
Bullet Proof Vest - Federal		5,132			5,132
Save the Youth		17,881			17,881
Community Development Block Grant - 2011		457,000	74,515		382,485
Pedestrian Safety Highway Grant		16,000	2,000		14,000
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program		30,000	13,042		16,958
Recycling Tonnage		23,922			23,922
Edward Byrne Memorial Justice Assistance Grant - (JAG)		18,585			18,585
Body Armor Replacement Fund		11,833			11,833

\$ 5,229,997	4,169,837	2,657,098	(2,202,977)	4,539,759
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Budget Appropriations \$	3,612,500
Appropriations by 40a:4-87	557,337

\$	4,169,837
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Cash Disbursements \$	1,789,749
Encumbrances	867,349

\$	2,657,098
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CITY OF HOBOKEN

Schedule of Cash - Treasurer

Trust Funds

Twelve Months Ended December 31, 2011

	Animal License Fund	Other Trust Funds	Section 8 - Housing Assistance Program
Balance - December 31, 2011	\$ 14,886	7,791,781	731,745
Increased by:			
Animal License Fees	11,669		
Due to State of New Jersey -			
Dog License Fees	1,873		
Marriage Licenses		11,650	
Burial Permits		10	
Construction Code DCA Fees		85,493	
Various Reserves		7,665,233	
Interfund - Current Fund			29,530
Community Development Block Grant Receipts			488,380
	13,542	7,762,386	517,910
	28,428	15,554,167	1,249,655
Decreased by:			
Reserve for Animal License Expenditures	69		
Due to State of New Jersey	1,938	88,747	
Various Reserves		6,063,233	
Interfunds		71,220	
Community Development Block Grant Disbursements			596,007
	2,007	6,223,200	596,007
Balance - December 31, 2011	\$ 26,421	9,330,967	653,648

CITY OF HOBOKEN

Schedule of Reserve for Expenditures -
Animal License Fund

Trust Funds

Twelve Months ended December 31, 2011

Balance - December 31, 2010	\$	14,177
Increased by:		
Dog license fees		<u>11,669</u>
		25,846
Decreased by:		
Expenditures	69	
Statutory Excess	\$ <u>15,832</u>	
		<u>15,901</u>
Balance - December 31, 2011	\$	<u><u>9,945</u></u>

License Fees Collected

TY 2010	1,588
SFY 2010	<u>8,357</u>
	\$ <u><u>9,945</u></u>

CITY OF HOBOKEN

Schedule of Due to State of New Jersey-
Animal License Fees

Trust Funds

Twelve Months ended December 31, 2011

Balance - December 31, 2010	\$	709
Increased by:		
2011 Fees Collected		<u>1,873</u>
		2,582
Decreased by:		
Payments to State of New Jersey		<u>1,938</u>
Balance - December 31, 2011	\$	<u><u>644</u></u>

CITY OF HOBOKEN

Schedule of Due to State of New Jersey
Trust Funds

Twelve Months ended December 31, 2011

	Due to/(from) Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance December 31, <u>2011</u>
Marriage Licenses	\$ 2,350	11,650	11,650	2,350
Burial Permits	15	10	15	10
Construction Code DCA Fees	<u>52,168</u>	<u>85,493</u>	<u>77,082</u>	<u>60,579</u>
	<u>54,533</u>	<u>97,153</u>	<u>88,747</u>	<u>62,939</u>
Cash Receipts		97,153		
Cash Disbursements			<u>88,747</u>	
		<u>97,153</u>	<u>88,747</u>	

CITY OF HOBOKEN

Schedule of Amount Due from/(to) Various Funds
Trust Funds

Twelve Months ended December 31, 2011

<u>Fund</u>	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2011</u>
Current Fund:				
Animal License Fund			15,832	(15,832)
Other Trust	91,332	42,984	134,572	(256)
Developers Escrow Trust			1,315	(1,315)
Tax Collector Premium Trust		124,297		124,297
O&M Trust Loan	100,708	32,406	124,297	8,817
Workers Compensation Trust			1,078	(1,078)
General Capital Fund			1,000,000	(1,000,000)
Payroll Agency Fund		7,018		7,018
	<u>192,040</u>	<u>206,705</u>	<u>1,277,094</u>	<u>(878,349)</u>
Due to Other Trust Fund	192,040	206,500	258,408	140,132
Due from Other Trust Fund		205	1,018,686	(1,018,481)
	<u>\$ 192,040</u>	<u>206,705</u>	<u>1,277,094</u>	<u>(878,349)</u>

Analysis of Changes

Disbursements	\$ 71,220	
Statutory Excess		15,832
Reserves to surplus		134,572
Reallocations	125,612	125,612
Reimbursement for expenses paid	1,078	1,078
Capital Ordinance		1,000,000
Appropriations	8,795	
	<u>\$ 206,705</u>	<u>1,277,094</u>

CITY OF HOBOKEN

Schedule of Miscellaneous Reserves

Trust Funds

Twelve Months ended December 31, 2011

	Balance, December 31 <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2011</u>
Reserve for:				
CD's Cultural Affairs	\$ 511		511	
150th Anniversary	10,145		435	9,710
Community Resource Account	27,447	71	271	27,247
Cultural Affairs Account	366,695	184,093	240,089	310,699
Hurricane Relief Fund	501		501	
Police Outside Employment	41,381	1,082,550	1,097,572	26,359
Hoboken PAL	6,494	9,400	12,536	3,358
Hoboken PAL Hockey	2		2	
Police 5K Run				
OEP Investment	35,153		35,153	
Police Department Investigation	1,001		400	601
Police Memorial Fund	90,043		90,043	
Girls Softball League	81		81	
Fire-Turkeys	7		7	
Sept. 11th Memorial Fund	10,153	10,000		20,153
Shade Tree Commission	1	500	477	24
Unclaimed Bail	30,627	3,297	515	33,409
Municipal Court Public Defender	5,491	386		5,877
TAM Restaurant	5,266		5,266	
Ragamuffin Parade	1,485	950	510	1,925
Save the Youth	1,489		1,489	
Fire Victims - Mc Swiggans	1,399		1,399	
Fire Education Fund	72,860	105,627	74,279	104,208
Fire Regular Penalties	51,690	8,625		60,315
Police-Left	154,513	80,207	11,223	223,497
POAA Trust	770,426	103,414	127,884	745,956
Municipal Court-OT-POAA	65,026	53	56,067	9,012
POAA Municipal Court Carpeting		20,559		20,559
Tax Collector Premiums	463,163	439,500	650,401	252,262
Police Safe Team Driving	500		500	
St Patricks Day Parade	6,250			6,250
Bike Rack Donations		445		445
Comp Services	2,252			2,252
Open Space	1,752,409	607,432	1,000,000	1,359,841
Escrow	501,917	434,677	334,096	602,498
Tax Sale Premiums	470,127	15,594		485,721
Law Enforcement	13,889	200,003	24,602	189,290
O & M Fund	1,057,106	404,711	82,446	1,379,371
O & M Fund-Hoboken South Waterfront	837,492	226,800	5,430	1,058,862
O & M Fund-W Hotel	297,068	114,436		411,504
Wanaque RCA Escrow	31,116	44	30,966	194
Green Township RCA Escrow	6,500	13	6,460	53
Demarest RCA Escrow	1,384		1,384	
North Haledon RCA Escrow	33,558	77	9,315	24,320
Hazmat	136,666	41	3,188	133,519
Redevelopment	19,557			19,557
QCA Allied Risk	73,966			73,966
Board Inspection	10,650	7,670	525	17,795
Collector of Revenue Redemption Trust	452,278	3,525,428	3,226,629	751,077
Recreation Fees		76,963	43,138	33,825
Municipal Superiors Association	20,348	1,667	22,015	
	<u>\$ 7,938,083</u>	<u>7,665,233</u>	<u>7,197,805</u>	<u>8,405,511</u>

Exhibit B-7

CITY OF HOBOKEN

Section 8 - Housing Assistance Program

Schedule of Reserves for Section 8 - Housing Assistance Program

Twelve Months ended December 31, 2011

Balance - December 31, 2010	\$ 811,078
Decreased by:	
Program Expenditures	<u>181,496</u>
Balance - December 31, 2011	\$ <u><u>629,582</u></u>

Exhibit B-8

Section 8 - Housing Assistance Program

Schedule of Due to Grantor

Twelve Months ended December 31, 2011

Balance - December 31, 2010	\$ <u>47,711</u>
Balance - December 31, 2011	\$ <u><u>47,711</u></u>

Exhibit B-9**CITY OF HOBOKEN****Section 8 - Housing Assistance Program****Schedule of Due to(from) Community Development Block Grant Trust Fund****Twelve Months ended December 31, 2011**

Balance - December 31, 2010		\$ <u>(127,044)</u>
Increased by:		
Cash Receipts	\$ 488,380	
Due to Current Fund	29,530	
Community Development Block Grant Receivables	<u>320,995</u>	
		<u>838,905</u>
		711,861
Decreased by:		
Disbursements	\$ 596,007	
Reimbursement for Expenses Paid	<u>139,499</u>	
		<u>735,506</u>
Balance - December 31, 2011		\$ <u><u>(23,645)</u></u>

Exhibit B-10**Community Development Block Grant Trust Fund****Schedule of Due from(to) Section 8 - Housing Assistance Program****Twelve Months ended December 31, 2011**

Balance - December 31, 2010		\$ <u>(127,044)</u>
Increased by:		
Cash Receipts	\$ 488,380	
Due to Current Fund	29,530	
Community Development Block Grant Receivables	<u>320,995</u>	
		<u>838,905</u>
		711,861
Decreased by:		
Cash Disbursements	596,007	
Reimbursement for Expenses Paid	<u>139,499</u>	
		<u>735,506</u>
Balance - December 31, 2011		\$ <u><u>(23,645)</u></u>

Exhibit B-11**CITY OF HOBOKEN****Community Development Block Grant Trust Fund****Schedule of Reserve for Community Development Block Grant****Twelve Months ended December 31, 2011**

Balance - December 31, 2010		\$ 1,172,306
Increased by:		
Grant Awards		<u>457,000</u>
		1,629,306
Decreased by:		
Disbursements	\$ 596,007	
Due to Section 8 Housing	<u>139,499</u>	
		<u>735,506</u>
Balance - December 31, 2011		<u><u>\$ 893,800</u></u>

Exhibit B-12**Community Development Block Grant Trust Fund****Schedule of Community Development Block Grant Receivable****Twelve Months ended December 31, 2011**

Balance - December 31, 2010		\$ 1,299,350
Increased by:		
Grant Awards		<u>457,000</u>
		1,756,350
Decreased by:		
Receipts	\$ 488,380	
Due from Section 8 Housing	<u>320,995</u>	
		<u>809,375</u>
Balance - December 31, 2011		<u><u>\$ 946,975</u></u>

CITY OF HOBOKEN

Community Development Block Grant Trust Fund

Schedule of Due to Current Fund

Twelve Months ended December 31, 2011

Increased by:

Cash Receipts

\$ 29,530

Balance - December 31, 2011

\$ 29,530

CITY OF HOBOKEN, N.J.

Schedule of Cash

General Capital Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010		\$	6,935,254
Increased by Receipts:			
Reserves			<u>2,000,000</u>
			8,935,254
Decreased by Disbursements:			
Improvement Authorizations	\$	184,927	
Interfunds		2,000,000	
Encumbrances		<u>2,226,946</u>	
			<u>4,411,873</u>
Balance, December 31, 2011		\$	<u><u>4,523,381</u></u>

CITY OF HOBOKEN, N.J.

Analysis of Cash

General Capital Fund

Twelve Month Period Ended December 31, 2011

Reserve for Receivables	\$ 15,000,000
Reserve for Payment of Notes	2,558,630
Reserve for Encumbrances	3,273,832
Amount Due to Parking Utility Capital Fund	
Amount Due from Current Fund	(2,369,403)
Capital Improvement Fund	913,577
Fund Balance	2,422,977
Grants Receivable	(3,711,251)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
	Bond Ordinance for Tax Overpayment Refunds	(267,836)
	Creation of North Park	(371,667)
R302	Improvements - City Hall	59,059
DR621/337	Various Road Improvements	(995,969)
DR326	Reconstruction of Pier C	(14,324,418)
	Construction of Waterfront Walkway	98,412
Z-18	Improvements to 1600 Park and Hoboken Cove	(1,139,325)
Z-23	Acquisition of Fire Apparatus	(429,179)
Z-30	Castle Point and Sinatra Park Waterfront Walkway	2,643,393
Z-33	Various Capital Improvements	128,020
Z-40	Acquisition of Public Works Garage	204,063
Z-77	Acquisition of Quantar Station & SX8MCX Conventional Master Repeaters	32,701
Z-94	Acquisition of Various Parcels of Land	999,500
Z-95	Improvements to Various Parks	(353,408)
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	151,673
		<u>\$ 4,523,381</u>

CITY OF HOBOKEN, N.J.

Schedule of Grants Receivable

General Capital Fund

Twelve Month Period Ended December 31, 2011

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, Dec. 31, 2010</u>	<u>Awarded</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2011</u>
DR-326	Port Authority: Reconstruction of Pier C	\$ 1,658,521			1,658,521
DR-326	New Jersey Department of Environmental Protection: Reconstruction of Pier C	951,000			951,000
	Developer's Share: Reserve for Maxwell Place Walkway	101,730			101,730
Z-94	Local Open Space: Acquisition of Various Parcels of Land		1,000,000	1,000,000	
		<u>2,711,251</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,711,251</u>
			Interfunds	<u>1,000,000</u>	

CITY OF HOBOKEN, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010 \$ 38,576,078

Decreased by:

Green Acres Loans Paid 166,080

General Serial Bonds Paid 3,170,000

Underground Storage Tank Loan Paid 24,472

3,360,552

Balance, December 31, 2011 \$ 35,215,526

CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to
Future Taxation - Unfunded

General Capital Fund

Twelve Month Period Ended December 31, 2011

Ordinance Number	Improvement Description	Balance	Authorizations	Funded	Balance	Analysis of Balance - December 31, 2011		
		Dec. 31, 2010	Authorizations	Funded	Dec. 31, 2011	Financed by	Bond	Unexpended
						Anticipation	Notes	Improvement
								Authorization
	General Improvements:							
R13	Reconstruction & Renovation of Certain Piers	708,995		111,005	597,990	597,990		
	Creation of North Park	371,667			371,667			371,667
	Bond Ordinance for Tax Overpayment Refunds	267,836			267,836			267,836
DR42	Various Projects and Improvements	4,168,995		111,005	4,057,990	4,057,990		
DR233	Improvements of Buildings and Equipment	2,888,995		111,005	2,777,990	2,777,990		
DR233	Acquisition of Vehicles and Equipment	422,580			422,580	422,580		
DR233	Land Parcel Acquisition	2,000,000			2,000,000	2,000,000		
DR621/388	Various Road Improvements	1,788,995		111,005	1,677,990	627,990		54,031
DR326	Reconstruction of Pier C	15,000,000		12,390,479	2,609,521			675,582
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	4,127,000			4,127,000	1,500,000		1,487,675
Z-23	Acquisition of Fire Apparatus	579,500			579,500			150,321
Z-30	Castle Point and Sinatra Park Waterfront Walkway	12,000,000			12,000,000	3,000,000		9,000,000
Z-33	Various Capital Improvements	403,750			403,750			
Z-40	Acquisition of Public Works Garage	15,950,000			15,950,000	15,950,000		
Z-94	Acquisition of Various Parcels of Land		19,000,000		19,000,000			19,000,000
Z-95	Improvements to Various Parks		1,520,000		1,520,000			1,166,592
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements		2,881,777		2,881,777			2,881,777
		\$ 60,678,313	23,401,777	12,834,499	71,245,591	31,338,290	5,491,323	34,415,978
	Budget Appropriations			444,020				
	Reserve for Grants Receivable			12,390,479				
				\$ 12,834,499				

Improvement Authorizations - Unfunded

37,391,454

Less: Unexpended Bond Anticipation

Note Proceeds:

Ordinance

Z30

Z33

Z40

2,643,393

128,020

204,063

2,975,476

\$ 34,415,978

CITY OF HOBOKEN, N.J.

Schedule of Interfund Due from/(to) Various Funds

General Capital Fund

Twelve Month Period Ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance Dec. 31, <u>2011</u>
Current Fund	\$ 1,883,930	485,473	12	2,369,391
Other Trust Fund		1,000,000		1,000,000
Parking Utility Capital Fund	<u>(2,000,000)</u>	<u>2,000,000</u>		
	\$ <u>(116,070)</u>	<u>3,485,473</u>	<u>12</u>	<u>3,369,391</u>

Disbursements	\$ 2,000,000	
Capital Improvement Fund	200,000	
Local Open Space Trust	1,000,000	
Premium on Notes	285,473	
Budget Reimbursements		<u>12</u>
	\$ <u>3,485,473</u>	<u>12</u>

CITY OF HOBOKEN, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Twelve Month Period Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, Dec. 31, 2011		Interest Rate	Balance		Decreased	Balance Dec. 31, 2011			
			Date	Amount		Dec. 31, 2010	Dec. 31, 2011					
Early Retirement Pension Refunding Bonds	Aug. 1, 2003	\$ 7,382,000	04/01/12	105,000	5.45%	\$ 7,297,442	80,000		7,217,442			
			04/01/13	140,000	5.45%							
			04/01/14	185,000	6.00%							
			04/01/15	225,000	6.00%							
			04/01/16	275,000	6.00%							
			04/01/17	295,000	6.00%							
			04/01/18	330,000	6.00%							
			04/01/19	360,000	6.50%							
			04/01/20	380,000	6.50%							
			04/01/21	440,000	6.50%							
			04/01/22	475,000	6.50%							
			04/01/23	525,000	6.50%							
			04/01/24	580,000	6.50%							
			04/01/25	660,000	6.50%							
			04/01/26	775,000	6.50%							
			04/01/27	217,820	7.14%							
			04/01/28	213,756	7.14%							
			04/01/29	212,557	7.14%							
04/01/30	209,767	7.14%										
04/01/31	207,099	7.14%										
04/01/32	204,501	7.14%										
04/01/33	201,942	7.14%										
Qualified General Improvement Refunding Bonds, Tax Exempt Series 2003B	Nov. 1, 2003	\$ 38,325,000	02/01/12	3,250,000	4.96%	29,745,000	3,090,000		26,655,000			
			02/01/13	3,415,000	5.12%							
			02/01/14	3,590,000	5.33%							
			02/01/15	3,785,000	5.33%							
			02/01/16	3,985,000	5.33%							
			02/01/17	4,200,000	5.33%							
			02/01/18	4,430,000	5.33%							
									\$ 37,042,442	3,170,000		33,872,442

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Twelve Month Period Ended December 31, 2011

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
R-13	Various Improvements	3,890,000	1/21/2004	9/3/2011	1.50%	\$ 708,995	597,990	708,995	597,990
DR-233	Acquisition of Land, Vehicles & Equipment	11,400,000	1/30/2006	9/3/2011	1.50%	5,311,575	5,200,570	5,311,575	5,200,570
DR-42	Improvement to City Buildings & Parks	4,987,500	4/18/2006	9/3/2011	1.50%	4,168,995	4,057,990	4,168,995	4,057,990
DR-388	Various Road Improvements	850,000	9/9/2009	9/3/2011	1.50%	738,995	627,990	738,995	627,990
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	1,500,000	7/1/2010	7/1/2011	1.50%	1,500,000	403,750	1,500,000	403,750
Z-30	Castle Point and Sinatra Park Waterfront Walkway	3,000,000	7/1/2010	7/1/2011	1.50%	3,000,000	15,950,000	3,000,000	15,950,000
Z-33	Various Capital Improvements	403,750	9/3/2010	9/3/2011	1.50%	403,750	1,500,000	403,750	1,500,000
Z-40	Acquisition of Public Works Garage	15,950,000	9/3/2010	9/3/2011	1.50%	15,950,000	3,000,000	15,950,000	3,000,000
						<u>\$ 31,782,310</u>	<u>31,338,290</u>	<u>31,782,310</u>	<u>31,338,290</u>
						Renewed	\$ 31,338,290	31,338,290	
						Budget Appropriation		444,020	
							<u>\$ 31,338,290</u>	<u>31,782,310</u>	

CITY OF HOBOKEN, N.J.

Schedule of Green Acres Loans Payable

General Capital Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010	\$ 1,509,164
Decreased by:	
Payments	<u>166,080</u>
Balance, December 31, 2011	<u><u>1,343,084</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Underground Storage Tank Loan Payable

General Capital Fund

Twelve Month Period Ended December 31, 2011

	Original Issue		Maturities of Loans Outstanding, Dec. 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased
	Date	Amount	Date	Amount			
Remediation of Underground Storage Tank	02/01/02	\$ 244,735			*	\$ 24,472	24,472
						<u>\$ 24,472</u>	<u>24,472</u>

* - Interest free

CITY OF HOBOKEN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Twelve Month Period Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2010		Paid or Charged	Canceled	Balance Dec. 31, 2011	
				Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>									
P184	Acquisition of Fire Apparatus	07/15/92	\$ 900,000	143,943			143,943		
R13	Reconstruction & Renovation of Certain Piers	11/15/93	4,200,000	300,270	708,995		1,009,265		
R85	Creation of Castle Point Park	10/09/97	4,175,000	185,830			185,830		
R301	Multi-Service Center	03/18/98	57,550	8,445			8,445		
R301	Elysian Park	03/18/98	11,300	106			106		
R302	Improvements - City Hall	04/01/98	156,000	121,527		62,468		59,059	
R433	Removal & Closure of Underground Storage Tanks	06/07/00	244,735	53,492			53,492		
DR42	Various Projects and Improvements:	05/30/02							
	City Hall		945,000						
	Underground Storage Tanks		105,000		1,317		1,317		
	Police Headquarters		210,000		54,250		54,250		
	Acquisition of Fire Engines		840,000		3,552		3,552		
	Acquisition of Equipment & Vehicles		367,500		894		894		
	Improvement to City Parks		420,000	3,930	5,000		8,930		
DR223	Land Parcel Acquisition	12/15/02	10,000,000		151,592		151,592		
DR233	Improvements of Buildings and Equipment	12/15/05	3,465,000		231,309		231,309		
DR233	Acquisition of Vehicles and Equipment	12/15/02	1,155,000		24,029		24,029		
DR621/388	Various Road Improvements	06/16/06	2,000,000		453,552				
DR326	Reconstruction of Pier C	09/19/07	20,000,000		1,150,934	399,521		54,031	
	Construction of Waterfront Walkway	03/04/09	11,621,723	101,229		475,352		675,582	
Z-18	Improvements to 1600 Park and Hoboken Cove		4,127,000		2,572,323	2,817		98,412	
Z-23	Acquisition of Fire Apparatus		610,000	30,000	579,500	1,084,648		1,487,675	
Z-30	Castle Point and Sinatra Park Waterfront Walkway		12,000,000		11,868,304	459,179		150,321	
Z-33	Various Capital Improvements		425,000		165,816	224,911		11,643,393	
Z-40	Acquisition of Public Works Garage		15,950,000		204,923	37,796		128,020	
Z-77	Acquisition of Quatar Station & SX8M/CX Conventional Master Repeaters	01/05/11	310,000			860		204,063	
Z-94	Acquisition of Various Parcels of Land	03/16/11	20,000,000			277,300		32,700	
Z-95	Improvements to Various Parks	03/16/11	1,600,000			500		999,500	
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	12/21/11	3,033,450			433,408		1,166,592	
				\$ 948,772	18,176,290			151,673	2,881,777
						3,458,760	1,876,954	1,341,344	97,391,454
				Capital Improvement Fund					
				Grants Receivable					
				Bonds & Notes Authorized					
				24,943,450					
				Cash					
				Encumbrances					
				184,928					
				3,273,832					
				3,458,760					

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010		\$ 2,226,958
Increased by:		
Improvement Authorizations		<u>3,273,832</u>
		5,500,790
Decreased by:		
Payments	\$ 2,226,946	
Interfunds	<u>12</u>	
		<u>2,226,958</u>
Balance, December 31, 2011		<u><u>\$ 3,273,832</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010	1,255,250
Increased by:	
Budget appropriation	\$ <u>200,000</u>
	1,455,250
Decreased by:	
Appropriated	<u>541,673</u>
Balance, December 31, 2011	\$ <u><u>913,577</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserves

General Capital Fund

Twelve Month Period Ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance Dec. 31, <u>2011</u>
Reserve for:				
Hazmat Fund	\$ 17,630			17,630
Payment of BANs - ADA Library	232,060	285,473	517,533	
Green Acres - 1600 Adams Street	200,000			200,000
Grants Receivable - Reconst. of Pier C	15,000,000		12,390,479	2,609,521
Green Acres - 1600 Park Avenue	341,000			341,000
Tarragon Settlement of Pier C		2,000,000		2,000,000
	<u>\$ 15,790,690</u>	<u>2,285,473</u>	<u>12,908,012</u>	<u>5,168,151</u>
Receipts		2,000,000		
Premium on Notes		285,473		
Deferred Charges - Unfunded			12,390,479	
Fund Balance			517,533	
		<u>\$ 2,285,473</u>	<u>12,908,012</u>	

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Twelve Month Period Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Authorizations	Decreased	Balance Dec. 31, 2011
<u>General Improvements:</u>					
	Creation of North Park	267,836			267,836
	Bond Ordinance for Tax Overpayment Refunds	371,667			371,667
DR621/388	Various Road Improvements	1,050,000			1,050,000
DR326	Reconstruction of Pier C	15,000,000		12,390,479	2,609,521
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	2,627,000			2,627,000
Z-23	Acquisition of Fire Apparatus	579,500			579,500
Z-30	Castle Point and Sinatra Park Waterfront Walkway	9,000,000			9,000,000
Z-94	Acquisition of Various Parcels of Land		19,000,000		19,000,000
Z-95	Improvements to Various Parks		1,520,000		1,520,000
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements		2,881,777		2,881,777
		<u>\$ 28,896,003</u>	<u>23,401,777</u>	<u>12,390,479</u>	<u>39,907,301</u>

CITY OF HOBOKEN, N.J.

Schedule of Cash - Treasurer

Parking Utility Fund

Twelve Month Period Ended December 31, 2011

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	\$ 4,343,801	
Increased by Receipts:		
Budget Revenues	13,750,809	
Interfunds		2,000,000
Total Receipts	13,750,809	2,000,000
Decreased by Disbursements:		
2011 Appropriations	10,919,078	
2010 Appropriation Reserves	606,178	
Improvement Authorizations		940,347
Interest on Bonds and Notes	1,072,067	
Total Disbursements	12,597,323	940,347
Balance, December 31, 2011	\$ 5,497,287	\$ 1,059,653

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

	Balance December 31, <u>2010</u>	Balance December 31, <u>2011</u>
Parking Utility Capital Fund	\$ <u>1,974,000</u>	<u>1,974,000</u>
	\$ <u><u>1,974,000</u></u>	<u><u>1,974,000</u></u>

CITY OF HOBOKEN, N.J.

Schedule of 2010 Appropriation Reserves

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Cancelled
Operating:				
Salaries and Wages	\$ 104,627	104,627		104,627
Other Expenses	744,635	1,011,715	499,889	511,826
Total Operating	849,262	1,116,342	499,889	616,453
Capital Improvements				
Capital Outlay	16,008	129,004	106,289	22,715
Total Capital Improvements	16,008	129,004	106,289	22,715
	<u>\$ 865,270</u>	<u>1,245,346</u>	<u>606,178</u>	<u>639,168</u>
Appropriation Reserves \$		865,270		
Encumbrances		380,076		
		<u>\$ 1,245,346</u>		

CITY OF HOBOKEN, N.J.

Schedule of Security Deposits

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010	\$ <u>233,776</u>
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Balance, December 31, 2011	\$ <u><u>233,776</u></u>
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CITY OF HOBOKEN, N.J.

Schedule of Accrued Interest Payable

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010		\$	520,202
Increased By:			
Interest on Bonds	\$	969,764	
Interest on Notes		<u>130,000</u>	
			<u>1,099,764</u>
			1,619,966
Decreased By:			
Interest Paid on Bonds		947,567	
Interest Paid on Notes		124,500	
Cancelled		<u>48,159</u>	
			<u>1,120,226</u>
Balance, December 31, 2011		\$	<u><u>499,740</u></u>

Analysis of Accrued Interest Payable at December 31 2011:

	Outstanding Principal	Interest Rate	Terms	Accrued Interest
Bond Anticipation Notes	\$ 4,000,000	1.43%	08/17/11 - 12/31/11	21,132
Hudson County Notes	\$ 2,000,000	2.00%	06/16/11 - 12/31/11	21,556
Bonds	\$ 18,730,000	Various	07/01/11 - 12/31/11	<u>457,052</u>
				\$ <u><u>499,740</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Encumbrances

Parking Utility Operating Fund

Twelve Month Period Ended December 31, 2011

Balance, December 31, 2010	\$	380,076
Increased By:		
Current Year Encumbrances		<u>251,713</u>
		631,789
Decreased By:		
Transfer to Appropriation Reserves		<u>380,076</u>
Balance, December 31, 2011	\$	<u><u>251,713</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Interfund Accounts Payable - Current Fund

Parking Utility Operating Fund

Twelve Months ended December 31, 2011

Balance, December 31, 2010	\$ 309,694
Increased By:	
Expenditures paid in Current Fund	<u>1,344,425</u>
Balance, December 31, 2011	<u><u>\$ 1,654,119</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Fixed Capital

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

Balance, December 31, 2010	\$ <u>45,157,185</u>
Balance, December 31, 2011	\$ <u><u>45,157,185</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance</u>		<u>Deferred Charges to Future Revenue</u>	<u>Balance, Dec. 31, 2011</u>
		<u>Date</u>	<u>Amount</u>		
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000 \$	1,600,000	1,600,000
				<u>1,600,000</u>	<u>1,600,000</u>

CITY OF HOBOKEN, N.J.

Schedule of Due From General Capital Fund

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

Balance, December 31, 2010	\$ <u>2,000,000</u>
Decreased By:	
Cash Receipts	\$ <u><u>2,000,000</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

	Balance, December 31, <u>2011</u>	Balance, December 31, <u>2010</u>
Parking Utility Operating Fund	\$ <u>1,974,000</u>	<u>1,974,000</u>
	\$ <u><u>1,974,000</u></u>	<u><u>1,974,000</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Bond Anticipation Notes Payable

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
DR69/94	Parking Utility Notes Series 2008C	12/01/05	8/18/11	8/17/12	1.43%	\$ 4,200,000	4,000,000	4,200,000	4,000,000
Unknown	Parking Utility Notes Series 2010	07/01/10	6/16/11	6/15/12	2.00%	2,000,000	2,000,000	2,000,000	2,000,000
						<u>\$ 6,200,000</u>	<u>6,000,000</u>	<u>6,200,000</u>	<u>6,000,000</u>
						Notes Issued \$ 6,000,000	6,000,000		
						Budget Appropriation	200,000		
						<u>\$ 6,000,000</u>	<u>6,200,000</u>		

CITY OF HOBOKEN, N.J.

Schedule of Parking Utility Serial Bonds

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2010		Interest rate	Balance, December 31, 2010	Decreased	Balance, December 31, 2011
			Date	Amount				
Parking Utility General Obligation Bonds - Series 2002	12/31/98	26,530,000	January 1, 2012	1,185,000	5.060%	\$ 19,855,000	1,125,000	18,730,000
			January 1, 2013	1,250,000	5.060%			
			January 1, 2014	1,270,000	4.000%			
			January 1, 2015	1,320,000	5.250%			
			January 1, 2016	1,390,000	5.250%			
			January 1, 2017	1,460,000	5.250%			
			January 1, 2018	1,540,000	5.250%			
			January 1, 2019	1,690,000	4.75-5.00%			
			January 1, 2020	1,770,000	4.75-5.00%			
			January 1, 2021	1,860,000	4.75-5.00%			
			January 1, 2022	1,950,000	4.75-5.00%			
			January 1, 2023	2,045,000	4.75-5.00%			
						\$ 19,855,000	1,125,000	18,730,000

CITY OF HOBOKEN, N.J.
Schedule of Improvement Authorizations
Parking Utility Capital Fund
Twelve Months ended December 31, 2011

Ordinance number	Improvement description	Ordinance		Balance, December 31, 2010		2011 Authorizations		Balance, December 31, 2011	
		Date	Amount	Funded	Unfunded	Expended	Funded	Unfunded	
Unknown Z-99	Improvements to Parking Garage	12/19/07	2,200,000	\$	226,000			226,000	
	Various Parking Utility Improvements	4/20/11	1,600,000			1,600,000		659,653	
				\$	226,000	1,600,000		885,653	

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Amortization

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

Balance, December 31, 2010		\$ 18,902,185
Increased by:		
Payment of Serial Bond Principal	\$ 1,125,000	
Payment of Bond Anticipation Note Principal	<u>200,000</u>	
		<u>1,325,000</u>
Balance, December 31, 2011		<u><u>\$ 20,227,185</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Payment of Debt Service

Parking Utility Operating Fund

Six Months Ended December 31, 2011

Increased By:

Budget Appropriations.

\$ 3,000,000

Balance - December 31, 2010

\$ 3,000,000

CITY OF HOBOKEN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Parking Utility Capital Fund

Twelve Months ended December 31, 2011

Ordinance number	Improvement description	Ordinance		Balance		2011 Authorizations	Balance 2011
		Date	Amount	December 31, 2010			
???	Improvements to Parking Garage	12/19/07	2,200,000	200,000		200,000	
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000			1,600,000	1,600,000
				\$ 200,000		1,600,000	1,800,000

CITY OF HOBOKEN

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and
Members of the City Council
City of Hoboken
County of Hudson, New Jersey

We have audited the financial statements-regulatory basis of the City of Hoboken in the County of Hudson as of and for the year ended December 31, 2011, and have issued our report thereon dated September 27, 2012. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the City of Hoboken prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The report on September 27, 2012 was qualified because the financial statements referred to above do not include an updated Statement of General Fixed Assets as required by the Division of Local Government Services. Also, the City did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Except as discussed in the preceding sentences, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Hoboken is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Hoboken's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of Hoboken's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over financial reporting.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. As noted in the accompanying schedule of findings and questioned costs, we consider the following to be significant deficiencies:

- Inadequate procedures for appropriately assessing and applying accounting principles.
- Failure of controls designed to safeguard assets from loss, damage or misappropriation.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Hoboken's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying schedule of findings and questioned costs and the accompanying comments and recommendations section of this report.

Honorable Mayor and
Members of the City Council
Page 3.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkatz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 27, 2012

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04 AS AMENDED

Honorable Mayor and
Members of the City Council
City of Hoboken
County of Hudson, New Jersey

Compliance

We have audited the compliance of the City of Hoboken with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended December 31, 2011. The City of Hoboken's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Hoboken's management. Our responsibility is to express an opinion on the City of Hoboken's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the City of Hoboken's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Hoboken's compliance with those requirements.

In our opinion, the City of Hoboken complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2011.




Internal Control Over Compliance


The management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Hoboken's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The City of Hoboken's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Hoboken's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.


Steven D. Wielkottz, C.P.A.
Registered Municipal Accountant
No. CR00413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 27, 2012

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Twelve Months ended December 31, 2011

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
<u>Federal Grantor Pass Through Grantor Program Title:</u>										
<u>Dept. of Housing and Urban Development:</u>										
Direct:										
Section 8 Housing Assistance Program		Prior Year	8,228,299	125,000			(125,000)		*	8,228,299
Total Direct Programs	14.218		8,228,299	125,000			(125,000)		*	8,228,299
Passed Through Hudson County Dept. of Finance and Admin:									*	
Community Development Block Grant - 2000	14.218		235,890						*	152,643
Community Development Block Grant - 2001	14.218		595,420						*	535,420
Community Development Block Grant - 2005	14.218		447,000	30,773					30,773	447,000
Community Development Block Grant - 2006	14.218		489,400	(8,819)					(8,819)	370,819
Community Development Block Grant - 2007	14.218		412,000	209,210					209,210	352,789
Community Development Block Grant - 2009 Admin. Costs	14.218	2009	50,000						*	50,000
Community Development Block Grant	14.218								*	
Child Care Services		2010	100,000						*	100,000
City Recreation Program		2010	10,000						*	10,000
Family Planning		2010	20,000						*	20,000
Jubilee Center		2010	50,000			11,721			(11,721)	11,721
Community Development Block Grant - 2010 Admin. Costs	14.218								*	50,000
Community Development Block Grant - 2010	14.218	2010	562,000		353,614	444,910			(444,910)	444,910
Community Development Block Grant - 2011	14.218	2011	457,000		353,614	74,515			279,099	74,515
Total Pass-Through Programs			3,478,710	231,164	353,614	531,146			53,632	2,619,817
Total U.S. Dept. of Housing and Urban Development			11,707,009	356,164	353,614	531,146	(125,000)		53,632	10,848,116
U.S. Department Of Justice:									*	
Direct:									*	
Public Safety Partnership and Community Policing Grants									*	
COPS in Schools		2007		22,800					*	
Bulletproof Vest Partnership	16.710	2009	8,883	8,883			(22,800)	(8,883)	*	8,883
Bulletproof Vest Partnership	16.710	2010	5,132						*	
ARRA -Hudson County Justice Assistance Grant	16.738	2009	20,015	(20,015)					(20,015)	20,015
ARRA -Hudson County Justice Assistance Grant	16.738	2010	82,531	(82,531)					(82,531)	82,531
National Police Athletic League - 2011-12 Mentoring Program	16.541	2011	30,000			13,042			(13,042)	13,042
Subtotal Department of Justice Grants			146,561	(70,863)		13,042	(22,800)	(8,883)	(115,588)	124,471

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Twelve Months ended December 31, 2011

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO
										Cumulative Total Expenditures
Save the Youth Grant	16.540	2009	223,587	2,773		2,755	(3)	1	16	223,571
			223,587	2,773		2,755	(3)	1	16	223,571
			370,148	(68,090)		15,797	(22,803)	(8,882)	(115,572)	348,042
Total U.S. Department Of Justice									*	*
Department of Agriculture:										
Passed Through the NJ Department of Agriculture										
	10.559	Prior Year	20,000							*
Summer Food Service	10.559	2007	15,823	5,738			1,950		1,950	20,000
Summer Food Service	10.559	2009	35,661	(2,866)			(916)		4,822	11,001
Summer Food Service	10.559	2010	31,374	183					(2,866)	30,303
Summer Food Service	10.559	2010	25,728	25,728					183	31,023
Summer Food Service	10.559	2011	34,115		33,964	29,660			25,728	*
			162,701	28,783	33,964	29,660	1,034		4,304	29,660
									34,121	121,987
Department of Transportation										
Passed Through the NJ Department of Transportation										
	20.205	Prior Year		114,926						*
2005 Roadway Improvement Project	20.205	Prior Year		32,585			(114,926)			*
State Highway Signage - Hudson Place 2003	20.205	Prior Year		19,144			(32,585)			*
State Highway Signage - Hudson Place 2004	20.205	Prior Year		12,551			(19,144)			*
State Aid Highway Street School District	20.205	Prior Year		160,893			(12,551)			*
2006 Roadway Improvement Program	20.205		172,032	21,748			(160,893)			*
2006 Roadway Improvement - 8th Street Impr's	20.205		352,522	125,555			(21,748)			*
Downtown Revitalization	20.205		209,665	240,335			(125,555)			*
SFY 2007 Roadway Improvement Program	20.205		300,000				(240,335)			*
1600 Park Avenue Development	20.205	2008		18,497						*
Highway Planning and Construction-Misc Projects 2000-2005	20.205	Prior Year					(18,497)			*
Various Street Improvements	20.205	2008	400,000	(56,817)	53,833	(12,536)			12,536	387,838
2008 Roadway Improvements Project	20.205	2009	410,732		145,512	1,100			(4,084)	336,795
2009 Roadway Improvements Project	20.205	2009	80,000			74,960			145,512	*
2009 Safe Streets to Transit	20.205	2010	460,531	107,132		404,200			(74,960)	74,960
2010 Various Street Improvements	20.205	2010	80,000	55,965					(297,068)	456,851
2010 Safe Streets to Transit	20.205	2010	80,000			48,447			55,965	*
2010 Hudson Place Funding	20.205	2010	400,125		286,613	47,104			(48,447)	48,447
2011 Aid for Various Streets	20.205	2011	2,895,607	852,514	485,958	563,275	(746,234)		239,509	47,104
									28,963	2,036,214
									*	*

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Twelve Months ended December 31, 2011

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
Department of Transportation										
Passed Through the NJ Division of Law & Public Safety		Prior Year	18,621	1,379						18,621
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2007	20,000	941			(1,379)		941	19,059
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2008	18,000					800	800	14,400
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2009	90,905					90,105	90,105	16,000
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2010	16,000	4,000		4,000				15,000
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2010	15,000		15,000	2,000			(2,000)	2,000
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2011	16,000	6,320	15,000	21,000	(1,379)	90,905	89,846	85,080
Department of Transportation										
Passed Through the National Highway Traffic Safety										
Over the Limit Under Arrest	20.601	2008	5,000	(4,800)	4,400				(400)	4,800
Over the Limit Under Arrest	20.601	2009	4,700	4,700		4,400			300	4,400
			9,700	(100)	4,400	4,400			(100)	9,200
Department of Energy										
ARRA - Energy Efficiency & Conservation Block Grant	81.128	2010	161,000	41,692	119,308	161,000				161,000
			161,000	41,692	119,308	161,000				161,000
Department of Homeland Security										
FEMA - Staffing for Adequate Fire and Emergency Response	97.044	2010	453,441	(42,491)					(42,491)	453,441
FEMA - Fire Apparatus	97.044	2011	427,962			427,962			(427,962)	427,962
FEMA - Fire Equipment	97.044	2011	118,827		118,827				118,827	881,403
			1,000,230	(42,491)	118,827	427,962			(351,626)	881,403
Total Federal and State Grant Fund Expenditures			16,500,921	1,174,792	1,131,071	1,754,240	(894,382)	82,023	(260,736)	14,491,042

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of Federal Awards

Twelve Months ended December 31, 2011

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
General Capital Fund: Economic Development Agency Hoboken Cove		2010	877,000	828,100		828,100			*	877,000
			877,000	828,100		828,100			*	877,000
Dept. of Highway Facilities: Maxwell Place Walkway	20.205	2008	9,109,567	(644,074)					(644,074)	9,109,567
			9,109,567	(644,074)					(644,074)	9,109,567
			9,986,567	184,026		828,100			(644,074)	9,986,567
Total General Capital Fund Expenditures			\$ 26,487,488	\$ 1,358,818	1,131,071	2,582,340	(894,382)	82,023	(904,810)	24,477,609
Total Federal Awards										

Note: See accompanying notes to schedules of expenditures of federal and state awards.

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Twelve Months ended December 31, 2011

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:										
Department of Community Affairs										
Domestic Violence	N/A	2008	Prior Year 1,250	1,250						10,090
Protection and Prevention Grant	N/A		Prior Year						1,250	*
State Cooperative Housing Inspections	N/A	2009	64,000	(2,990)					(2,990)	*
State Cooperative Housing Inspections	N/A	2010	100,000	6,721				(31,724)	(25,003)	*
State Cooperative Housing Inspections	N/A	2011	49,000	(49,000)	49,000					64,000
Multi Service Center Replacement	N/A	2008	100,000		13,560	100,000		31,724	(25,003)	100,000
Multi Service Center Replacement	N/A	2009	200,000			44,543			(54,716)	*
Family Planning Services	N/A	2008	100,000			5,307			(44,543)	155,457
Family Planning Services	N/A	2009	20,000						(5,307)	5,307
Hoboken 911 Memorial on Pier	N/A	2010	250,000	(8,181)		10,415			(10,415)	10,415
1118 Adams Street Urban Renewal	N/A		2,205,000			52,945			(61,126)	61,126
Total Dept. Of Community Affairs	04-1955-00			(52,200)	62,560	213,210			(202,850)	2,205,000
										2,761,895
Dept. of Environmental Protection										
Clean Communities Program - 2006	N/A		35,728	6			(6)			35,728
Clean Communities Program - 2007	N/A		37,985	3,771			(3,771)			37,985
Clean Communities Program - 2008	N/A		52,258	(52,258)			80,455	(28,197)		52,248
Clean Communities Program	N/A	2009	97,387	97,388					97,388	*
Clean Communities Program	N/A	2010	43,810	27,821		16,562			11,259	32,551
Clean Communities Program	N/A	2011	58,198	58,198		52,108			6,090	52,108
Clean Communities Program	N/A		43,548	11,004		1,695			9,309	23,235
Clean Communities Program	N/A		70,961		70,961	37,900			33,061	37,900
Storm Water Grant	N/A		Prior Year							7,538
Recycling Tonnage Grant	N/A	2008	117,320	(67,708)					(67,708)	117,320
Recycling Tonnage Grant	N/A	2010	2,485	23,209			(53,631)		(30,422)	2,485
Recycling Tonnage Grant	N/A	2011	25,021		25,021				25,021	*
Hazardous Discharge Site Remediation	N/A		23,922		23,922				23,922	*
Community Forestry Programs	N/A		298,655	(298,655)			298,655			298,655
Total Dept. of Environmental Protection	07-4870			2,000		108,265	(2,000)			
				(193,224)	119,904		319,702	(28,197)	107,920	697,753
Dept. of Health & Senior Services Direct										
Public Healthcare Mgmt. Caregivers	N/A	2008	29,524	90,893			(90,893)			29,524
Public Healthcare Mgmt. Caregivers	N/A	2009	118,921	118,921		80,497			38,424	80,497
Public Health Priority Funding	N/A	2010	58,796	(58,796)				58,796		58,796
Public Health Priority Funding	N/A	2011	5,224				15,783	(21,007)		67
Public Health Priority Funding	N/A	2012	23,363	(10,139)		318		10,139		23,105
Public Health Priority Funding	N/A	2013	9,703	12,150			(5,529)	5,577	17,409	318
Senior Emergency Funds	N/A	2008	5,529	2,946					(2,583)	5,529
Senior Emergency Funds	N/A	2009	3,059	3,059					3,059	*
Hepatitis B Inoculation Fund	N/A	2010	4,705	4,705					4,705	*
HINI Grant	N/A	2011	104,454	10,516		11,518			(1,002)	48,702
Total Dept. of Health & Senior Services-Direct	10-480-BT-L-1			179,479		92,333	(80,639)	53,505	60,012	246,538

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Twelve Months ended December 31, 2011

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO
										Cumulative Total Expenditures
Dept. of Law and Public Safety										
Body Amor Replacement Program	00-BA-0905	Prior Year	11,506	2,853			(5,763)	2,910	*	11,506
Body Amor Replacement Program - 2007	00-BA-0905	2007	4,165	(4,165)			(3,098)	7,263	*	4,165
Body Amor Replacement Program - 2008	00-BA-0905	2008	17,038	1			(1)		*	17,038
Body Amor Replacement Program	00-BA-0905	2009	15,374	6,130		1,069			*	10,313
Body Amor Replacement Program	00-BA-0905	2010	14,377	14,377		4,064			*	4,064
Body Amor Replacement Program	00-BA-0905	2011	11,833	3,759	11,833			(3,759)	*	11,833
Body Amor Replacement Program	00-BA-0905	Prior Year	4,000	(400)				400	*	20,447
Click-It-Or-Ticket		2009	4,000						*	4,000
Click-It-Or-Ticket									*	
Drunk Driving Enforcement Fund		2007		10,624			(10,624)		*	
Drunk Driving Enforcement Fund		2010	12,377	5,142			(5,142)		*	6,435
Drunk Driving Enforcement Fund		2010	5,000	5,942	5,000	5,000			*	5,942
Holiday Year End Statewide Crackdown		2011	1,510		1,510				*	1,510
Municipal Court DWI Grant				44,263	18,343	10,133	(24,628)	6,814	*	34,659
Total Dept. of Law and Public Safety									*	82,968
Dept. of Justice										
Alcohol Bd Rehab Enforcement Fund	N/A	2007		18,224			(18,224)		*	
Alcohol Bd Rehab Enforcement Fund	N/A	2008	1,253					53	*	1,200
Alcohol Bd Rehab Enforcement Fund	N/A	2009	1,253	1,908				(53)	*	298
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2007	19,120		102,546			(102,546)	*	19,120
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2010	20,858		20,858	20,858			*	20,858
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2011	18,585				(18,224)	(102,546)	*	
Total Dept. of Justice				19,232	123,404	20,858			*	41,476
Department of Treasury										
State Contingency Fund									*	
Business Stimulus Fund Grant			6,500			6,500			*	6,500
Fire Department Grant		2007		36,000			(36,000)		*	
Fire Department Grant		2008	95,852	95,852					*	95,852
Fire Department Grant		2010	42,492	42,492					*	42,492
Total State Contingency Fund				174,344		6,500	(36,000)		*	6,500
Other State Agencies:										
Smart Growth Planning	00-6334-00	2008		45,000			(45,000)		*	
Clean Energy Program	N/A	2009	41,692	(41,692)					*	41,692
NJEDA Hazardous Site Remediation		2010	10,299	283,940		30,505	(282,448)		*	9,925
State Tourism Grant		2011	7,504		6,003	7,297			*	7,297
Total State Contingency Fund				287,248	6,003	37,802	(327,448)		*	58,914
Total State Assistance				457,142	330,214	489,101	(167,237)	(70,424)	*	3,896,044

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Twelve Months ended December 31, 2011

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:									
Federal Grantor/Pass Through Grantor Program Title									
Passed Through Hudson County Dept. of Finance and Administration:									
Hudson County Open Space Grant	2010	300,000	(47,362)		252,637		(1)	(300,000)	300,000
Municipal Alliance Program - County	2008	56,134	7,976					7,976	46,543
Municipal Alliance Program - County	2009	62,111	(21,850)					(21,850)	62,111
Municipal Alliance Program - County	2010	40,261	20,049	1,802			(1,802)	20,049	18,411
Municipal Alliance Program	2011	40,261		5,104	31,270	(10,681)		(26,166)	31,270
Adult Day Care			10,681			(35,604)			
Adult Day Care	2007		35,604			(63,818)			
Adult Day Care	2008	57,600	63,818						57,600
Adult Day Care	2009	126,998	25,400	13,406			(75,624)	(36,818)	101,598
Adult Day Care	2010	27,055	27,055					27,055	
Adult Day Care	2010	127,000	(18,027)					(18,027)	69,400
United Cerebral Palsy	2008				2,000			(2,000)	2,000
United Cerebral Palsy	2009	2,000							
United Cerebral Palsy	2010	2,000							
City Recreation Program	2009	10,000							
Jubilee Center	2009	50,000							
Library Computer Replacement	2008	5,300							5,300
Comprehensive Program for the Elderly			40,000			(40,000)			
Comprehensive Program for the Elderly		674	674					674	
Cultural and Heritage Program	2010	4,734	(1,184)					(1,184)	4,734
HHS Senior Citizens - #688	2011	12,000		11,640	12,000			(360)	12,000
HHS Senior Citizens - #88	2011	115,000		85,856	115,000			(29,144)	115,000
Total Pass-Through Programs			142,834	117,808	412,907	(150,103)	(77,427)	(379,795)	825,967
Other Direct Programs:									
Fire Department Hazmat Donations	N/A		36,616			(36,616)			
NJ Youth Football Grant	N/A		4,000			(4,000)			
Senior Emergency Funds	N/A	2,684	(2,684)					(2,684)	2,684
The Trust for Public Land:									
1600 Park Avenue (Land and Water)	N/A	1,513,420	7,680					7,680	1,513,420
PAL of NJ - After School Initiative Grant	2010	30,000	3,732	15,097				18,829	6,640
Health Officers Association LINCIS Grant	2010	2,500	300		300				2,500
Cultural Affairs Studio Tour/Concert	2011	3,200		2,400	550			1,850	550
US Soccer Foundation - Planning Grant	2011	8,000							
Total Other Direct Programs			49,644	17,497	850	(40,616)		25,675	1,525,794
Total County/Other Assistance			192,478	135,305	413,757	(190,719)	(77,427)	(354,120)	2,351,761

CITY OF HOBOKEN, N.J.

Schedule of Expenditures of State Financial Assistance

Twelve Months ended December 31, 2011

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
General Capital Fund: NY/NJ Port Authority: Reconstruction of Pier C Total NY/NJ Port Authority	2008	17,479,834	(1,078,046)		377,291			(1,455,337) *	17,276,650
			(1,078,046)		377,291			(1,455,337) *	17,276,650
Dept. of Environmental Protection Reconstruction of Pier C Green Acres 1600 Park Avenue Hoboken Cove Total State Dept. of Environmental Protection	2008	2,520,166			54,362			(54,362) *	1,623,558
	2010	1,700,000	1,700,000		1,209,775			490,225 *	1,209,775
	2010	1,000,000	1,000,000		202,549			797,451 *	202,549
			2,700,000		1,466,686			1,233,314 *	3,035,882
Developer's Share - Toll Brothers Maxwell Place Walkway Total Developer's Share	2008	3,061,262	(101,730)					(101,730) *	3,061,262
			(101,730)					(101,730) *	3,061,262
Hudson County Open Space 1600 Park Avenue Hoboken Cove Acquisition of Various Parcels of Land Total Developer's Share	2010	200,000	200,000		350,000			200,000 *	350,000
	2010	350,000	350,000	1,000,000				1,000,000 *	350,000
	2011	1,000,000	550,000	1,000,000	350,000			1,200,000 *	350,000
			2,070,224	1,000,000	2,193,977			876,247 *	23,723,794
Total General Capital Assistance									
Total State and County/Other Assistance		\$ 2,719,844	1,465,519		3,096,835	(357,956)	(147,851)	582,721 *	29,971,599

Note: See accompanying notes to schedules of expenditures of federal and state awards.

CITY OF HOBOKEN
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the City of Hoboken, County of Hudson. The City is defined in Note 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the City's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance awards are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$1,754,240	\$489,101	\$413,757	\$2,657,098
General Capital Fund	<u>828,100</u>	<u>2,193,977</u>	<u>413,757</u>	<u>3,022,077</u>
	<u>\$2,582,340</u>	<u>\$2,683,078</u>	<u>\$413,757</u>	<u>\$5,679,175</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

NOTE 5. ADJUSTMENTS

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

CITY OF HOBOKEN
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(CONTINUED)

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The City's federal and state loans outstanding at December 31, 2011, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Green Acres Trust Loan	<u>\$1,343,084</u>

**CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: qualified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

2. Material weakness(es) identified? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

Type of auditors' report on compliance for major programs: unqualified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
<u>14.218</u>	<u>Community Development Block Grant</u>
<u>66.605</u>	<u>Environmental Protection Agent</u>
<u>81.128</u>	<u>ARRA - Energy Efficient Block Grant</u>
<u>97.044</u>	<u>FEMA Grant - Fire Apparatus</u>

CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(continued)

Section I - Summary of Auditor's Results, (continued)

State Awards Section

Dollar threshold used to distinguish between type A and
type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

_____ yes X no

Type of auditors' report on compliance for major programs:

unqualified

Internal Control over compliance:

1. Significant deficiencies identified that are
not considered to be material weaknesses?

_____ yes X none
reported

2. Material weakness(es) identified?

_____ yes X no

Any audit findings disclosed that are required to be reported
in accordance with N.J. OMB Circular 04-04, as amended?

_____ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

505 042 4800 002 720020

Green Acres - 1600 Park Avenue

100 022 8020 074 022710

State Cooperative Housing Inspections

CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

Finding 2011-1:

The City has neglected to maintain an accurate Fixed Asset Report.

Criteria or specific requirement:

Technical Accounting Directive 86-2, codified as New Jersey Administrative Code 5:30-5.6 requires all municipalities to maintain a record of all fixed assets purchased and put into service. The Directive also requires the records to be updated annually for any changes.

Effect:

The City is not in compliance with Technical Accounting Directive 86-2, New Jersey Administrative Code 5:30-5.6 since June 30, 2004.

Cause:

The City has not updated the June 30, 2004 physical examination and report completed by and outside appraisal company.

Recommendation:

A physical examination and record be completed and maintained on an annual basis.

Management Response:

Management is looking into hiring an outside appraisal company to complete a physical examination and report for the City.

CITY OF HOBOKEN

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section II – Financial Statement Findings

Finding 2011-2:

The City has not implemented the requirements of Governmental Accounting Standards Board, Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB).

Criteria or specific requirement:

Governmental Accounting Standards Board, Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions requires local municipalities to provide information on their OPEB practices and cost as part of their Notes to the Financial Statements..

Effect:

The borough is not in compliance with Governmental Accounting Standards Board, Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

Cause:

The City has not had a cost and liability actuarial study to project the long-term program participation and health care costs completed.

Recommendation:

An actuarial study should be performed to project the long-term program participation and health care costs for the City.

Management Response:

Management is looking into hiring a professional actuarial to complete a study to project the long-term program participation and costs.

CITY OF HOBOKEN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(continued)

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

NONE

STATUS OF PRIOR YEAR FINDINGS

(This section identifies the status of prior year audit findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB Circular 04-04.)

FINDING: TY2010-1

RECOMMENDATION

All transactions should be approved and encumbered in the accounting system prior to purchase.

STATUS

Corrective action was taken.

CITY OF HOBOKEN
GENERAL COMMENTS

Contracts and Agreements Requiring Advertisement for Bid

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 or \$36,000 if there is a certified purchasing agent.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

Single Stream Recycling Processor
Hudson Place Improvements
Boys & Girls Club Site Remediation
ADA Restroom Improvements at the
Multi Service Community Center
Fire Pumper

Towing and Storage
Multi-Story Residential Building Demolition
Construction of 1600 Park Artificial Turf Field
City Wide Playground Improvements
Various Street Improvements

CITY OF HOBOKEN

GENERAL COMMENTS, (continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A.40A:11-4.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on July 1, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the City of Hoboken.

CITY OF HOBOKEN

GENERAL COMMENTS, (continued)

Delinquent Taxes and Tax Title Liens

A tax sale was held on April 4, 2011.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on the last three periods:

	<u>Number of Liens</u>
Year Ended December 31, 2011	60
Six Month Period Ended December 31, 2010	50
Year Ended June 30, 2010	50

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

CITY OF HOBOKEN

OTHER COMMENTS

DECEMBER 31, 2011

FINANCE/TREASURER

1. *Technical Accounting Directive #2, codified as N.J.A.C. 5:30-5.6., requires the City to place a value of all fixed assets put into service. An appraisal of the City's assets has not been updated since 2004.
2. *The City did not implement the requirement of Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions".
3. *Not all financial transactions are being recorded in the general ledgers in a timely manner as required by Technical Accounting Directive # 3 for the following funds:
 - POAA Trust Fund
 - Parking Utility Operating Fund
 - Net Payroll Account
 - Payroll Agency Account
4. *Petty cash disbursed to various departments does not agree to State approved petty cash application in accordance with N.J.S.A. 40A:5-21.
5. *Expenditures were incurred against grant awards that had not yet been approved.
6. Bank reconciliations for the following accounts contain several unidentified adjustments
 - Other Trust Fund
 - Parking Utility Operating Fund
 - Net Payroll Account
 - Payroll Agency Account
7. There were budget overexpenditures of \$22,890 which are required to be reported by the Division of Local Government Services, Requirements of Audit for Overexpenditures.
8. The following accounts are carrying outstanding checks over one year old as reconciling items (N.J.S.A. 40A:5-5):
 - Net Payroll Account
 - Payroll Agency Account
 - Parking Utility Operating Account

CITY OF HOBOKEN
OTHER COMMENTS, CONTINUED

PURCHASING

1. *Informal quotes were not obtained for some purchases over 15% of the bid threshold N.J.S.A. 40A:11-6(1).
2. *Not all bid documents were available for review as required by N.J.S.A. 40A:11.
3. Goods/Services are being ordered prior to being encumbered as prescribed by Technical Directive #1.
4. Vendor documents were not always available to support expenditures as required by the Division of Local Government Services, Requirements of Audit for Expenditures and Disbursements.

DEPARTMENTS

1. The following departments do not maintain a monthly cash book that summarize collections by category:
 - a. Recreation Department
 - b. Taxi & Limo Licenses Department
 - c. Building Department
 - d. Environmental Department
 - e. Department of the City Clerk
 - f. Fire Prevention Department
 - g. Police Department
2. The total fees recorded by the building department in the manual ledger do not agree to the total fees per the permit system.
3. The building department is not turning over all DCA fees collected to the State of New Jersey.
4. There are 603 tickets "Assigned over 180 days" on the December Monthly Management Report.

PAYROLL/PERSONNEL

1. Authorized deferred compensation applications and W-4 forms for selected individuals were unable to be located for review.
2. A report of accrued liability for sick and vacation time payable is not maintained as prescribed in the detailed walkthrough of the payroll cycle.

CITY OF HOBOKEN
RECOMMENDATIONS
DECEMBER 31, 2011

FINANCE/TREASURER

1. *That a fixed asset report be prepared to place a value on all assets put into service and that the report be updated annually.
2. *That the City take the necessary steps to implement and maintain the requirements of Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions".
3. *That all financial transactions be recorded in the General Ledger as required by Technical Accounting Directive #3.
4. *That an updated application be submitted to the State to approve various appointments of petty cash.
5. *That all grant awards be included in the adopted budget or approved via N.J.S.A. 40A:4-87 prior to contracts being encumbered and expenditures incurred.
6. *That all adjustments be identified and recorded for reconciliations for all funds.
7. That proper care be exercised over the budget and that the budget expenditures and appropriations be received timely to prevent future occurrences of overexpenditures.
8. That stale dated checks be reviewed and cancelled if appropriate.

PURCHASING

1. *That all purchases over 15% of the bid threshold should obtain informal quotes as required by Local Public Contracts Law.
2. *That all bids sought by public advertisement be maintained by the City and be made available for audit.
3. That all goods/services be encumbered prior to being ordered.
4. That all supporting documentation for all purchases be made available for audit review.

**CITY OF HOBOKEN
RECOMMENDATIONS, CONTINUED**

DEPARTMENTS

1. That all departments maintain a monthly cash ledger that summarizes collections by category.
2. That all fees collected by the building department be entered into the permit system.
3. That all DCA fees collected by the building department be turned over to the state in a timely manner.
4. That tickets over 180 days be recalled by the Court Administrator.

PAYROLL/PERSONNEL

1. That all approved deferred compensation applications and W-4's be maintained and available for review.
2. That a report of accrued liability for sick and vacation payable be updated and maintained by the payroll department.

CITY OF HOBOKEN

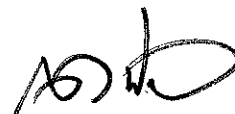
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk ("*").

The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Respectfully submitted,



Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 27, 2012